

DAILY REPORT

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NAKASONE ON UPCOMING VISIT TO E. EUROPE

ADN Interview

LDO72254 East Berlin ADN International Service in German 1314 GMT 7 Jan 87

[Text] Tokyo, 7 Jan (ADN) -- In Tokyo today Japan's prime minister, Yasuhiro Nakasone, called for the further expansion of relations between Japan and the GDR. In an interview he told ADN that with his official state visit to the GDR next week the all-round development of bilateral relations between the two states will be continued.

"Japan and the GDR traditionally maintain very good relations," the Japanese head of government said. "And, of course, the visit by Mr Honecker of Japan in 1981 constituted an epoch-making event. It was also a significant milestone in the development of our bilateral relations. Substantial progress has been achieved in Japan-GDR relations in the spheres of economy, science and technology, and in cultural exchanges. Leading Japanese businessmen have visited the GDR in the framework of economic commissions, and there have also been notable reciprocal visits by leading politicians from the two countries.

"Through the strengthening of these close contacts we can deepen our friendly relations and also transcend differences arising from our differing social system."

In the interview, in which journalists from Finland, Yugoslavia, and Poland were also involved, Prime Minister Nakasone described his forthcoming trip to these countries as a contribution by Japan to international dialogue. He is looking forward with great expectations to the open exchange of views on international questions with the leading representatives of these states, particularly as regards the problems of world peace, disarmament and world economic development. He said he hopes to contribute toward the search for a breakthrough in East-West and North-South relations.

The Japanese Prime Minister stressed that international security is the joint responsibility of all countries. As far as Japan is concerned, security policy is determined by the country's peace constitution. His country adheres to the three nonnuclear principles and represents no threat to other countries.

On this basis Japan has built up its own defense and has also concluded a security treaty with the United States. Japan supports international efforts to reduce throughout the world the accumulated nuclear and conventional deterrence potential, and in the final analysis to achieve the elimination of all nuclear weapons. In this connection the prime minister expressed his country's hope that the Soviet Union and the United States will continue negotiations following the Reykjavik meeting so that an agreement on drastic arms reductions may be achieved. Disarmament presupposes mutual trust. From this viewpoint these results and the impact of the European security conference demand great recognition, Yasuhiro Nakasone said.

The Japanese prime minister asked the journalists present to convey his best wishes to the peoples of the four countries.

PAP Interview

LD072141 Warsaw PAP in English 1728 GMT 7 Jan 87

[Text] Tokyo, Jan. 7 -- Japanese Premier Yasuhiro Nakasone met here today with correspondents from Finland, GDR, Yugoslavia, and Poland, i.e. countries he will soon visit during his European tour.

PAP correspondent in Tokyo Andrzej Zielinski asked the premier about his plans concerning his visit to Warsaw, stressing that our countries reached full normalization of political relations and that the Polish public opinion welcomed with satisfaction the prospects for elevating the Polish-Japanese political dialogue to the top level, boosting cultural exchange and development of economic cooperation with Japan.

In his reply, Nakasone drew attention to the tightening of contacts between our countries, recalling, among other things, that the Polish foreign minister had paid a visit to Japan last autumn and prior to that the Japanese foreign minister had visited Poland. He stressed that he anticipated a meeting with Wojciech Jaruzelski with satisfaction.

The premier drew attention to the fact there had been considerable fluctuations in trade between the two countries and expressed the conviction that now it might be marked by progress and develop in the right direction.

Referring to cultural exchange, Nakasone spoke about the Japanese people's interest in Chopin's music and the Chopin competitions organized in Warsaw. (He also said he regretted that due to a very short stay in Poland he would not be able to visit the composer's home.)

Nakasone emphasized his desire to use his Polish visit as a suitable opportunity to further develop friendly relations between Poland and Japan in politics and economy.

Referring to the Polish visit during a lunch for ambassadors of Finland, GDR, Yugoslavia, and Poland, Nakasone said that he awaited his meeting with Wojciech Jaruzelski with interest:

Loan Offer to Poland

OW071305 Tokyo KYODO in English 1241 GMT 7 Jan 87

[Text] Tokyo, Jan. 7 KYODO -- Japan plans to offer Poland some 200 million dollars worth of bank loans from the Export-Import Bank of Japan when Poland presents a repayment plan of its debts to Western creditors, governments sources said Wednesday.

Prime Minister Yasuhiro Nakasone will give details of the offer to Polish leader Wojciech Jaruzelski when he visits Poland January 15, they said.

Poland has incurred accumulated debts of more than 30 billion dollars from Western bankers, but it has delayed even payment of interest, due to financial problems.

If Japan's plan is realized, it will be the first Japanese economic assistance since Council of State Chairman and party leader Jaruzelski imposed martial law in 1981 in a reaction against a freedom movement by the "Solidarity" labor union.

The new credits will be provided to Poland's foreign trade bank to help the state-owned automaker FSO buy a plant from Japan's Daihatsu Motor Co. to manufacture 1,000-cc class small car, "Charade."

Daihatsu will provide the plant and technology for the production, expected to start from 1988. The production scale will be 120,000 units a year.

Poland plans to sell the cars in the Western European market.

FSO and Daihatsu reached an agreement on the plant in summer last year but still face tough financial negotiations.

Daihatsu and Japanese trading companies had asked the Japanese Government to provide new credits of the Ex-IM Bank of Japan for the project, the sources said.

Nakasone, who leaves on January 10, will also visit Finland, East Germany and Yugoslavia. He returns home January 17.

FOREIGN RESERVES HIT RECORD HIGH IN 1986

OW061137 Tokyo KYODO in English 1050 GMT 6 Jan 87

[Text] Tokio, Jan. 6 KYODO -- Japan's foreign exchange reserves at the end of 1986 were a record 43,239 million dollars, up 15,729 million dollars from 26,510 million dollars a year earlier, Finance Ministry officials said Tuesday. The figure represented a 62.8 percent rise from a year before. The previous all-time high of 33,019 million dollars was set in December 1978, the officials said.

The officials attributed the sharp increase chiefly to the Bank of Japan's massive dollar-buying intervention during 1986 to check the yen's appreciation on foreign exchange markets. They also cited profits stemming from the management of special drawing rights with the International Monetary Fund (IMF) as a reason for the sharp increase. Such profits totaled an average 350 million dollars a month.

Japan's foreign exchange reserves registered their 13th straight monthly rise since December 1985. The reserves appeared to have stand in fourth place in world terms, after those of West Germany, the U.S. and Taiwan. [sentence as received] The dollar started 1986 at 202.30 yen and closed the year at 160.10 yen. The closing rate represented a 20.2 percent decline from a year earlier. The Bank of Japan stepped into the market repeatedly throughout the year to shore up the dollar to cushion the impact on the economy of the yen's appreciation.

SUMITA SAYS BOJ MAY INTERVENE IN EXCHANGE MARKET

OW070929 Tokyo KYODO in English 0917 GMT 7 Jan 87

[Text] Tokyo, Jan. 7 KYODO -- Satoshi Sumita, governor of the Bank of Japan [BOJ], said Wednesday that the Central Bank would intervene in the foreign exchange market, if necessary to stabilize foreign exchange rates. Sumita stressed at this year's first regular press conference that the Central Bank will continue to carefully watch foreign exchange rates. The Central Bank governor said the Japan-U.S. joint statement issued late last October is still in effect. U.S. Treasury Secretary James Baker and Japanese Finance Minister Kiichi Miyazawa agreed to stabilize foreign exchange rates, so that they would roughly reflect fundamentals of each domestic economy.

Sumita said the yen is hovering at 158-159 yen per dollar this year, which for Japan is less stable than the 162-163 yen per dollar level -- the exchange rate held between late last October and the end of December. If a higher yen continues, it will increase the deflationary impact on the Japanese economy and detract from domestic demand expansion and economic structural adjustments to the economy, Sumita said. Sumita said, however, he does not think the yen will continue to appreciate further against the dollar. Sumita said the current appreciation of the yen is due to the announcement of a huge 19.2 billion dollar U.S. trade deficit for last November, as well as sluggish prospects for the U.S. economy in the January-March period and because the Deutsche mark has risen against the dollar.

There is caution in the market over a precariously high yen level, as well as a dollar buying demand for making securities investments, Sumita said.

The dollar fell 1.48 yen from Tuesday to close at 157.70 yen Wednesday in Tokyo. Sumita said the Central Bank is closely consulting with its counterparts in major nations to seek stability in foreign exchange rates. Sumita also said he thinks the Japanese economy will recover gradually in the latter half of this year once foreign exchange rates stabilize. He said, however, he fully understands that other views predicting a weaker Japanese economy exist. His remark indicated that the Central Bank may change its view of Japan's economic performance if foreign exchange rates don't stabilize, Bank of Japan sources said.

Sumita said the Central Bank will carefully watch both the domestic economy and foreign exchange movements to decide its monetary policies.

Touching on prospects of the U.S. economy this year, Sumita said it depends on whether there is improvement in U.S. trade imbalances or not. The surge in the U.S. November trade deficit partly resulted from forward import shipments prior to a raise in import fees on December 1, Sumita said. U.S. exports will certainly be favorably effected if the correction of the former high value of the dollar is a success, he said.

8 JAN MINJU CHOSON HITS U.S. DEFENSE BUILDUP

SK080500 Pyongyang KCNA in English 0443 GMT 8 Jan 87

[Text] Pyongyang January 8 (KCNA) -- MINJU CHOSON today comments on the fact that Reagan on January 3 submitted a budgetary bill for fiscal 1988 to U.S. Congress.

The author of the commentary says that the Reagan Administration set defence expenses at 312 billion dollars, 3 percent greater than the figure of the current fiscal year. This clearly tells that the U.S. imperialists are persistently clinging to the policy of "strength" and spurring on new war preparations.

The commentary says:

The U.S. imperialists largely increased the defence expenses and are getting feverish in pushing ahead with the "Star Wars" program at a time when the whole world opposes nuclear war and is fighting for peace, security and elimination of nuclear weapons and the "Star Wars" program is unanimously opposed and rejected even in the United States. This is an open challenge to the peaceloving people and a criminal act.

The U.S. imperialist warmaniacs must stop the reckless nuclear arms buildup and give up the nuclear war moves, mindful of the lesson of history.

NODONG SINMUN DENOUNCES U.S. 'NUCLEAR CLUB'

SK261013 Pyongyang KCNA in English 1003 GMT 26 Dec 86

[Text] Pyongyang December 26 (KCNA) -- NODONG SINMUN Thursday demands that the U.S. imperialists renounce their foolish intention to dominate the world with their "nuclear club" and immediately give up their criminal nuclear adventures.

In its signed article titled "U.S. imperialists bent on nuclear adventures," the paper says:

The U.S. imperialists regard the "nuclear club" as a means almighty to restore the position of the United States on the downhill run and stake their global strategy on the attainment of "nuclear supremacy."

The nuclear adventures of the United States have developed to a more grave stage this year.

Above all, the U.S. imperialists raced headlong toward unbridled nuclear arms buildup. They are dreaming of emerging the vitor in a nuclear war by gaining "nuclear advantage" at any cost and dealing a nuclear forestalling strike at socialist countries.

The "Star Wars" program is a part of this scheme.

The strategic goal of this scheme sought by them is to gain "military superiority", "nuclear advantage", by building a nuclear base in the outer space and establishing a space weapon system and strike a nuclear forestalling blow at the strategic targets of the opposite side "in case of emergency" and thus carry out an aggressive "anti-communist crusade" without inviting any retaliatory blow from the opposite side. For this purpose they have stepped up their "Star Wars" program this year more desperately than ever before.

Another point noteworthy, in the U.S. imperialists' nuclear adventures this year is their frequent nuclear tests. They have carried out nearly 20 nuclear tests this year. Since the Soviet Union's unilateral moratorium on nuclear testing in August last year they have conducted 24 nuclear tests. The U.S. appropriations to this domain in fiscal 1986 are ten times those in the previous fiscal year.

It is the height of folly for the U.S. ruling circles to disguise themselves as "concerned" for a stop to nuclear arms race, nuclear arms reduction and elimination of nuclear weapons.

Through the year the U.S. imperialists frantically staged nuclear war exercises, increasing tensions in the Asia-Pacific regions, Europe and all other parts of the world.

They orient all their war exercises to the completion of nuclear war preparations and directly link them together.

The reckless nuclear adventure of the U.S. imperialists are rendering the tensions more acute in Korea and other parts of the world and bringing darker clouds of nuclear war on the globe, notes the paper.

BREAKTHROUGH IN HIGH-LEVEL TALKS URGED

SK031040 Pyongyang KCNA in English 1017 GMT 3 Jan 87

[Text] Pyongyang January 3 (KCNA) — NODONG SINMUN today runs an editorial headlined "Let Us Make a Breakthrough in the Solution of the Reunification Question by Realising North-South High-Level Political and Military Talks" on the national salvation proposal for the talks put forward by the great leader Comrade Kim Il-song in his historical policy speech.

Noting that this proposal is an epochal national salvation measure for breaking the deadlock on the Korean peninsula and opening a way out for the nation, the editorial says:

It not only gives a clear idea of a most fitting negotiating table, rendezvous of dialogue, for getting rid of the political and military confrontation, the factor of the tensions on the Korean peninsula, but also indicates a most realistic way of cutting the Gordian knot in the relaxation of tensions at the present juncture.

The present situation in Korea marked by the growing danger of the freeze of division and new war makes it all the more urgent to solve the reunification question.

Neither economic collaboration and interchange nor humanitarian work can run on oiled wheels under the condition in which the country and the nation are split to be at loggerheads both politically and militarily.

If high-level political and military talks are arranged between the North and the South and good results are produced to create an atmosphere of trust and detente in the political and military fields, dialogues will make a successful progress in many fields. Provided the successful progress of North-South high-level political and military talks and dialogues in many fields, it would be possible to open North-South summit talks to discuss basic questions arising in promoting the cause of the country's reunification in conformity with the noble idea of independence, peaceful reunification and great national unity.

If the South Korean authorities really want to break the present impasse between the North and the South and want to achieve peace in the country and its peaceful reunification, it should affirmatively respond to our proposal for North-South high-level political and military talks.

If peace is to be consolidated in our country and preconditions for its peaceful reunification to be created, it is required to hold three-way talks involving us, the United States and South Korea, while going ahead with North-South talks.

If the United States really wanted the relaxation of tensions on the Korean peninsula and were interested in peace in Korea and her reunification, it should respond to our proposal for three-way talks and withdraw from South Korea, all its forces and military hardware, including nuclear weapons.

The most reasonable way for the independent and peaceful reunification of Korea is to found the democratic confederal republic of Koryo.

We will in the future, too, make all our sincere efforts to carry our just reunification proposal into practice.

For the solution of the reunification question in conformity with the will and demand of the whole nation, a whole-nation rendezvous for reunification should be arranged to bring together the general will of the people of all walks of life in the North and the South.

We always leave open the door of a nation-wide dialogue to the South Korean political parties and organisations.

The South Korean political parties and organisations and patriotic people of all strata who love the country and are concerned for the future of the nation should struggle resolutely for the realisation of North-South high-level political and military talks in active response to our patriotic proposal intended to dispel the tragedy of national division and accelerate the reunification of the country.

7 January NODONG SINMUN

SK071011 Pyongyang KCNA in English 0956 GMT 7 Jan 87

[Text] Pyongyang January 7 (KCNA) -- High-level political and military talks between the North and the South are to discuss and tackle the pressing task to prevent the possible catastrophic consequence of the North-South military confrontation and ease the aggravating situation, stresses NODONG SINMUN today.

In a signed article headlined "Urgency and Justness of High-Level Political and Military Talks Between the North and the South" the paper says:

If the matter of promoting the national bonds by refraining from slandering and by realizing multilateral cooperation and interchange between the North and the South is discussed and solved at high-level political and military talks between the North and the South, the political confrontation would be removed. And if such matters as reduction of armed forces, stoppage of the arms race, conversion of the Demilitarized Zone into a peace zone and discontinuation of large-scale military exercises are discussed and solved at the talks, the military confrontation would be removed.

If the measures are discussed there to increase the authority of the Neutral Nations Supervisory Commission, and a neutral nations inspection force is organized with personnel of the member countries of the Neutral Nations Supervisory Commission, as a setup to watch the military actions of both sides in the Demilitarized Zone along the Military Demarcation Line, it will lead to fair promotion of the work to remove military tensions and prevention of military conflicts.

It has been raised as a more pressing matter than ever before to ease the political confrontation and military tension between the North and the South under the condition where misunderstanding and distrust are growing among fellow countrymen and national concord has not been realized owing to the political and military confrontation racket of the United States and the South Korean authorities.

This proposal of ours indicates the most suitable theatre of negotiations and a place of dialogue for removing the political and military confrontation, the factor of tension on the Korean peninsula, and the ways to solve the knotty problems for detente at present.

If this proposal is realised, it will mark an important turning point in promoting trust between the two sides, opening a new phase of detente in political and military fields and creating a general atmosphere of dialogue.

The policy of opening a new phase of detente and developing the dialogue into North-South summit talks is based on the requirement of the prevailing situation and a historic sum-up of the North-South dialogues.

The proposal for holding high-level political and military talks between the North and the South which reflects the urgent demand of the prevailing situation is a most just measure of national salvation as the form of talks is reasonable and proper and the context of discussion at the talks is realistic.

North-South high-level political and military talks should be realised as soon as possible.

NEW YEAR'S POLICY, ARMY INSPECTION DENOUNCED

SK071230 Pyongyang Domestic Service in Korean 2152 GMT 4 Jan 87

[NODONG SINMUN 5 January commentary: "A New Year's Inspection of Those Trembling With Terror"]

[Text] It is said that traitor Chon Tu-hwan gave an inspection of the puppet National Police Headquarters, the Seoul Municipal Police Bureau, checkpoints, and puppet army units for 5 hours at dawn on 3 January. At the puppet Seoul Municipal Police Bureau, the rascal instructed that the state of suppression over the year-end and new year holidays be maintained all year round. Moreover, at the puppet army units, he babbled about a perfect posture while clamoring about a winter provocation by someone else.

Prior to this, on 1 January, the minister of home affairs gave an inspection of a branch unit of the puppet riot police and babbled about establishing public peace and order. At dawn on 2 January, the puppet prime minister gave an inspection of the National Police Headquarters and instructed that a thorough alert posture be assumed, and the puppet minister of defense appeared at a puppet army unit located in the central part of the front line and instructed that preparations be made for someone else's winter provocation. Those to be inspected by the treacherous group, which has turned against the people, would only be the suppressive forces, their last prop. However, the acts of Chon Tu-hwan and his leading subordinates inspecting puppet police and army units on new year's day without getting sleep is unusual and not seen before.

The gibberish they uttered was about strengthening the suppressive system and continuously assuming a combat posture to prepare for someone else's provocation. This reveals that this year, too, the Chon Tu-hwan ring is attempting to maintain the shaking dictatorial regime and to prop it up for a long-term of office through the rascist anticomunist frenzy by suppressive forces.

South Korea is experiencing a warlike terror atmosphere because of various orders to mop up issued to eradicate roots of evil in society, in addition to the alert order for emergency work duty issued under the pretext of maintaining public order with the year-end and new year holidays near at hand.

According to the order to arrest the wanted pro-communist elements and left-leaning forces -- an order which is effective from the end of last year to February of this year -- search operations of residences and inspection spectacles are being viciously committed. Furthermore, puppet combatant police forces are being deployed at the gates of universities in Seoul and on the streets and at official government buildings near Kwanghwamun, Chongro, Yongdungpo railroad station, and the Kuro industrial area.

Under these circumstances, the puppets have instructed that this type of suppressive atmosphere be maintained and strengthened all year round. It is clear why this instruction is needed. Maneuvering to realize ambition to prolong its dictatorial rule, the Chon Tu-hwan ring is attempting to eradicate even trifling obstacles. The puppets are attempting to settle the crisis in the shaking regime by blocking the righteous advance for independence, democracy, and reunification of students and people of all strata through an unprecedented fascist frenzy. Meanwhile, it is nonetheless attempting to maintain the DJP's regime by successfully achieving constitutional revision favoring a parliamentary cabinet system.

Traitor Chon Tu-hwan's instruction that the police should protect someone means that they should safely guard his regime, and the puppet's concurrent gibberish about someone else's provocation and the like is designed to justify fascist suppression and reveals his criminal intention to intensify the anticomunist confrontation commotion more viciously during the new year. The anticomunist fascist commotion is the last-ditch fight of rascal at the point of death. It will only bring about fiercer resistance from the people. Although it is said that a number of people arrested in South Korea last year on charges of staging demonstrations or involvement in political affairs reaches approximately 3,450, the actual number far exceeds this. The number of students arrested in the joint sit-in at Konguk university alone reaches approximately 1,900. However, the advance of struggle by South Korean students has not failed, but is being further systematically and vigorously made.

That the Chon Tu-hwan ring, scuttling around here and there from the outset of the new year, had to clamor about public order or the perfect posture reveals the crisis of the current regime has grown more serious and the puppets are seized with uneasiness as the result of their suppression with bayonets. The independent and democratic anti-U.S. and antifascist reunification of the fatherland is a firm belief of students and the people in South Korea. The nation-selling rascals who maneuver to realize their long-term of office with the instigation of fascist suppression and North-South confrontation when the North and South Korean people and the people around the world ardently support and welcome our new reunification proposal for national salvation will face the denunciation of the people. The Chon Tu-hwan ring would rather act with discretion.

NODONG SINMUN ON S. KOREAN PEOPLE'S STRUGGLE

SK061037 Pyongyang Domestic Service in Korean 2127 GMT 3 Jan 87

[NODONG SINMUN 4 January special article: "Where There Is Suppression There Is Struggle"]

[Text] There is extremely acute confrontation in South Korea today between the patriotic democratic forces and the treacherous fascist forces. The patriotic democratic people's struggle is being waged continuously and fiercely all over South Korea to resist the U.S. imperialists' colonial rule and the Chon Tu-hwan ring's vicious fascist rule. It is quite natural in such a colonial fascist society as in South Korea that the popular masses should rise up in the struggle to oppose it.

Nevertheless, the vicious Chon Tu-hwan fascist ring raves that this just struggle of the South Korean people is prompted by the behind-the-scenes manipulation of some outside forces or impure forces and is harshly suppressing it, branding it as procommunist. This is a shameless sophistry to justify the fascist suppression of the people and to deceive public opinion.

The South Korean people's struggle is inevitable. The great leader Comrade Kim Il-song has taught: Where there is suppression, there certainly will be a revolutionary struggle. The more the South Korean reactionaries step up fascist suppression of the people, the more vigorously the people will struggle.

That where there is suppression, there is struggle is an inevitable phenomenon that arises from the independent nature of the popular masses. Man is a social being for whom chajusong is his life. Chajusong is the attribute of a social human being who wants to live and develop himself independently as master of his own destiny and of the world. Because of chajusong, man opposes all forms of restraint and subjugation and endeavors to make everything serve him. Maintaining chajusong is an absolute demand of a social human being and his inviolable right. In order for man to secure a position as master of society and live freely, the right of independence should be guaranteed.

The independent dignity of man is guaranteed by the state sovereignty. The state sovereignty is the political power of rule, and it is the basic factor which defines the position and role of man. In an exploited society, the reactionary ruling class holds the state sovereignty and the production means in its hands and harshly exploits the popular masses based on it.

In particular, in a society where domination by foreign forces and fascist dictatorship are rampant, the chajusong of the popular masses are trampled down more ruthlessly. This is because the fascist rule itself is founded on the premise that democracy is completely obliterated. Therefore, the popular masses must launch into the struggle to defend chajusong, opposing the social system and the oppressors who suppress it.

South Korea is a dark society where the most vicious and savage fascist rule without its parallel in history is implemented which completely tramples down the chajusong of the popular masses. In South Korea, the people's national sovereignty is ruthlessly trampled down and obliterated because of the U.S. imperialists' colonial fascism rule.

The U.S. imperialists, who have occupied South Korea for the heinous purpose of aggression and plunder, hold the political, economic, cultural, military, and all other fields at their command and are imposing a life of colonial enslavement on the South Korean people.

To maintain and realize their filthy aggressive policy and colonial rule, the U.S. imperialists have fabricated the puppet military fascist regime and driving the lackeys toward the fascist suppression on the people. Traitor Chon Tu-hwan, who snatched power with guns and bayonets with U.S. imperialists' backing, is ruthlessly trampling down the popular masses' basic rights using various suppressive orders, notorious fascist laws, and vast suppressive organisations, brutally suppressing the patriotic people and democratic figures who call for democracy and the reunification of the country.

In the course of its snatching power, the puppet clique declared an emergency martial law for the entire area of South Korea, completely banned the activities of political parties and public organizations, and unhesitatingly committed the unprecedented fratricidal carnage of bestially massacring the patriotic people of Kwangju, who rose up for the sake of the right to exist and democracy, mobilizing heavily armed puppet army and suppressive police forces.

The South Korean puppets are now branding all the moves of the people calling for independence, democracy, and reunification as acts of sympathizing with communism and benefiting the enemy, and are arresting, imprisoning, trying, and punishing them at random, on charges of being procommunist elements.

Toward the end of last year, the South Korean puppets committed such a suppressive barbarity of massively arresting and imprisoning some 1,500 students who staged a sit-in struggle calling for independence, democracy, and reunification, which is unprecedented in the history of campus suppression, and openly committed the fascist violence of branding as illegal the opposition party's lawful activity of assembly for constitutional revision for a direct election system, suppressing it mobilizing some 100,000 suppressive police forces. This, again, is unprecedented in the history of suppressing opposition parties.

The violent and barbarous nature of the Chon Tu-hwan ring has reached its extremity, and South Korea has literally become a turbulent place where democracy is strangled and fascism is rampant. Because of such maneuvers of the U.S. imperialists and the South Korean puppets, the South Korean people have been deprived of such elementary rights as the freedom of choosing ideology and the freedom of assembly and association. They are even prohibited from mentioning the problem of reunifying the country, the nation's long cherished desire.

The colonial fascist rule implemented in South Korea by the U.S. imperialists and the puppets is the most violent infringement on the people's chajusong, and the most shameless imposition of slavish subjugation.

The South Korean people, who embody chajusong as their nature, can never be obedient to the colonial fascist rule which imposes slavish subjugation and subservience, but must wage a struggle against it. Despite the difficult condition in which such harsh fascist suppression is continuing, the people of all walks of life and democratic figures in South Korea are today vigorously joining the anti-U.S. and antifascist struggle for democratization to regain the deprived national sovereignty and to win the right to exist and democratic freedom. This is far from being prompted by someone's forcible demand or pressure. This is an inevitable and just act of the South Korean people which they themselves have chosen from the awareness of the demand of their own nature and through their real life experience.

It is the inevitability of social development that the greater the suppression, the more organized and stubborn the people's struggle against it becomes and that the oppressors will perish in its blaze, resulting in the victory of revolution.

There has not been a precedent in history that a reactionary ruling class quietly withdrew from the stage of history. The greater the crisis in their rule, the more desperately the reactionaries resort to fascist suppression of the people. Only through stubborn struggle, can the popular masses overthrow the exploiting system and build an independent new society.

No doubt, suppression can violently continue for a certain period of time, and accordingly, the struggle of the popular masses can experience difficulty and trials. Yet the popular masses are further awakened and tempered in a revolutionary manner in its course, and they can continuously develop and expand the struggle, finding new struggle methods as well as strategies and tactics to cope with the suppression. The South Korean people's struggle, which has been developed and intensified continuously from the liberation in 1945 up to the present, is clear proof of this.

The U.S. imperialists and the South Korean puppets have ruthlessly suppressed the people's struggle whenever their colonial fascist rule was in crisis. However, this has led to a greater struggle of the South Korean people. The South Korean people's struggle -- such as the 19 April popular uprising in 1960 which inflicted a serious blow to the U.S. imperialists' colonial ruling system, the 24 March and 3 June struggles in 1964 which opposed the treacherous talks between the Japanese reactionaries and the South Korean puppets, the struggle of the people of Pusan and Masan in 1979, and the popular uprising in Kwangju in May 1980 -- has been continuously developed and expanded. In this struggle, the Syngman Rhee puppet regime was overthrown and the traitor Pak Chong-hui's Yusin dictatorship collapsed.

In South Korea today, fascist suppression is at its climax. It is not accidental that opinion at home and abroad consistently denounces the Chon Tu-hwan ring's vicious fascist frenzy as a symptom of the doomed ring approaching its final days.

Today, the South Korean people's struggle is rapidly developing and expanding both in terms of quality and quantity. Despite the bestial suppression by the fascist hooligans, the core of their struggle is continuously growing and the struggle is becoming more ideology-oriented and organized, and the struggle is being waged vigorously among the broad masses of all walks of life. The people's struggle will ultimately explode the vicious colonial fascist rule of the U.S. imperialists and the Chon Tu-hwan ring.

The desperate suppressive maneuvers of the U.S. imperialists and the Chon Tu-hwan ring will only result in the digging of their own graves. This is unalterable truth.

NODONG SINMUN OUTLINES TASKS OF ECONOMIC PLAN

SK010808 Pyongyang KCNA in English 0800 GMT 1 Jan 87

[Text] Pyongyang January 1 (KCNA) -- The New Year editorial carried in the January 1 issue of NODONG SINMUN, the organ of the Central Committee of the Workers' Party of Korea, says the main task of the national economic plan for 1987 is to keep production on a high level in all domains of the national economy by effecting a new upsurge in fuel and power industries and in the production of irons and steels, to further raise the people's living standard by increasing the production of grain and fish and hastening the revolution in light industry and to powerfully press ahead construction on the major fronts for completely solving the problems of food, clothing and housing for the people.

The editorial stresses:

We should direct great efforts, above all, to a rapid development of mining, power, metal and machine-building industries and transport.

Along the road indicated by the great rural theses we should hasten the complete irrigation, chemicalization and comprehensive mechanization of agriculture and make one more big stride in agricultural production.

It is imperative to produce more and better mass consumption goods by dynamically pressing ahead with the revolution in light industry, and increase aquatic production rapidly so as to make the lives of the people more plentiful.

We should vigorously carry on construction on the major fronts this year.

We should accelerate the construction of the Sunchon vinalon complex, the Sariwon potassic fertilizer complex and other factories which are of weighty significance in completely solving the problems of food, clothing and housing of the people. It is also important to powerfully push ahead with the construction of new power stations including the Taechon power station, the second-stage construction of the Kim Chaek iron and steel complex, the project for expanding magnesia clinker production capacity in Tanchon district, the reclamation of tideland and urban construction.

NODONG SINMUN ON TURN IN ECONOMIC CONSTRUCTION

SK061131 Pyongyang Domestic Service in Korean 2120 GMT 4 Jan 87

[NODONG SINMUN 5 January editorial: "Let Us Effect a New Turn in Socialist Economic Construction, Upholding the Decisions of the 12th Plenary Session of the 6th Party Central Committee"]

[Text] Today, our party members and workers are powerfully accelerating the march of the new year, upholding the historic policy speech of the great leader and overflowing with new faith.

In his policy speech, the great leader Comrade Kim Il-song laid a new historic landmark to achieve complete victory on the future road of our revolution and unfolded a lustrous blueprint of socialist economic construction.

The 12th plenary session of the 6th party Central Committee set the grand goals for the Third 7-Year Plan, indicated the direction for and assigned the tasks of the development of the rational economy this year, the first year of the period of the plan, and appealed to the entire party and all the people to powerfully wage combat to carry out the plan for 1987.

The grand operational conception and militant tasks unfolded and assigned by the party and the leader are endlessly touching our party members and workers and arousing them to a new heroic struggle. By steadily pushing ahead with the struggle to carry out the militant tasks assigned by the 12th plenary session of the 6th party Central Committee, all party members and workers should brilliantly realize the conception for the complete victory of socialism and the prospective goals for the Third 7-year Plan which the great leader Comrade Kim Il-song put forth in his policy speech.

In his policy speech, the great leader Comrade Kim Il-song taught: All guiding functionaries and workers should effect a new upsurge in socialist economic construction by turning out as one in the struggle to fulfill the Third 7-Year Plan.

The 12th plenary session of the 6th party Central Committee is an important turning point to effect a new epochal turn in the history of our country's socialist construction. Today, we are in an important period during which we should elevate socialist construction onto a higher stage. As noted by the 12th plenary session of the 6th party Central Committee, our people have resplendently completed the Second 7-Year Plan over the past period by dynamically staging the struggle to implement the decisions of the 6th party congress while upholding the banner of the chuche idea under the leadership of the party.

As a result, great victory and success have been attained in developing our national economy. Our industry has constantly advanced along the single road of upswing, and its looks have drastically changed. A high speed, which can be found only in chuche Korea which advances in the speed battle added to Chollima, has been created. Also, capabilities for industrial output have sharply increased, and all industrial sectors have been completed well. In the rural economic sector, socialist rural construction has been vigorously accelerated and agricultural production has constantly increased as a result of thoroughly implementing the rural theses and the chuche farming method. Numerous grand monumental creations in the age of the Workers Party have been built throughout the country and the work of chuche-orientation, modernization, and science-orientation has been powerfully pushed ahead. Thus, the chuche-oriented nature and technological basis of the national economy has been enhanced extraordinarily.

As stressed by the plenary session, the Second 7-Year Plan has been brilliantly completed and preparations to mount onto a new higher stage have been made, thereby laying a solid basis for attaining the new prospective goals for socialist economic construction. Based on the already attained success, our party has set forth the grand program for the Third 7-Year Plan and clearly delineated the direction and tasks of this year's socialist economic construction to successfully carry it into practice.

As clearly indicated by the plenary session, the central task of the national economic plan for 1987 is to normalize production at a high level by effecting new upsurges in the fuel and power industries and the production of steel products, to further improve the people's standard of living by increasing the output of grain and fish and by accelerating the light industrial revolution and to powerfully construct major establishments to completely solve the problem concerning food, housing, and clothing of the people. This central task of socialist economic construction is the most correct and realistic task of economic construction that completely conforms to the inevitable nature of socialist economic development, the strategic lines of socialist construction set forth at the sixth party congress, and the aspirations and demands of our people. This key task embodies our party's lofty conception and intention to successfully attain the grand prospective goals for socialist economic construction by giving full play to the great potential of our country's self-reliant national economy and to epochally improve the people's standard of material and cultural living.

By upholding the appeal of the plenary session, the entire party and all the people should turn out to victoriously make progress in this year's combat -- a heavy task assigned to us today. This year's struggle to fulfill the plan for 1987 is a rewarding struggle to achieve an epochal advance in opening a breakthrough for executing the Third 7-Year Plan and in attaining the 10 great prospective goals for socialist economic construction put forward by the 6th party congress.

Success in carrying out the new prospective plan depends on how we wage the combat of this year. The first year of the period of the plan. For this reason, our party gives great significance to the struggle to fulfill the plan for 1987 in effecting a turn in the socialist economic construction of our country. By upholding the party's intention, all party members and workers should unconditionally and thoroughly implement the overall tasks, assigned by the plenary session, in all fields of socialist economic construction.

It is, above all, important to rapidly develop the mining, electric power, metallurgical, and machine industries and transportation. Giving priority to the key industries, including the mining, electric power, and metallurgical industries, and railway transport is a basic principle of socialist economic construction and precondition for giving unreserved play to the enormous production potential of the people's economy at present.

The functionaries and workers in these fields should deeply recognize that the overall advance speed of socialist construction depends on their own fields, and unconditionally and responsibly carry out the tasks assigned to their own fields by the party, thus smoothly meeting the rapidly increasing demand of the national economy for coal, electricity, steel products, and mechanical equipment.

To successfully carry out the key tasks of the national economic development for this year, a bigger stride should be made in the fields directly connected with the people's lives. As stressed at the plenary session, improving the people's standard of living is one of the important tasks of this year. We should unconditionally and thoroughly discharge the task of further developing the light industry, fisheries, and the rural economy, assigned by the plenary session, to epochally improve the people's standard of living.

Powerfully accelerating the construction of major establishments is another important task of this year. The major establishments are of epochal significance in attaining the grand 10 major prospective goals and in improving the people's standard of living. By dynamically waging the struggle to create the speed of the 1980's in the style of the construction of the Sohae Lockgate, all construction workers and soldiers, to whom the construction of major fronts is assigned, should accelerate the construction of the plants, including the Sunchon vinalon complex and the Sariwon potash fertilizer complex which are of great significance in completely solving the problem concerning the people's food, housing, and clothing, and promptly spur the construction of new power plants, including the Taechon power plant, the second-stage construction of the Kim Chaek iron complex, the construction of expanding the production capacity of magnesia clinker in the Tanchon district, tideland construction, and urban construction.

Today, the task facing us is vast, and there are many things that we should fulfill. The key to successfully carrying out these heavy tasks is to effect a great revolutionary upsurge again in all sectors of socialist construction.

Proceeding from this, our party demands that today, when we have entered the first-year battle of the fulfillment of the Third 7-Year Plan, we effect a great revolutionary upsurge again in socialist construction as we carried out the march of Chollima in the postwar period.

When all party members and the working people throughout the country effect new upsurges in production in response to the appeal of the current plenary session with the same spirit and vigor as they displayed in effecting great upsurges in the march of Chollima in the postwar period, a breakthrough can be opened in the implementation of the new prospective plan and the grand 10 major prospective objectives can be successfully attained.

We should be deeply aware of the great significance of the 12th plenary session of the 6th party Central Committee and should effect unprecedented revolutionary upsurges upholding the decision of the current plenary session, as we effected a great upsurge of Chollima with the plenary session of the party Central Committee held in December 1956 as its occasion.

At the responsible moment of receiving the decision of the current plenary session, all party organizations and functionaries are faced with the heavy task of spurring the masses to vigorously carry out the tasks set forth at the plenary session with a higher sense of responsibility for the party.

All party organizations and functionaries, the basic mission of which is to resolutely safeguard and thoroughly implement the party line and policy, should carry out organizational and political work to effect upsurges in production in a responsible manner with the firm determination and will of unconditionally and thoroughly implementing the tasks set forth by the plenary session.

Party organizations should carry out propaganda and agitation activities in a substantial manner to inculcate the great leader Comrade Kim Il-song's policy speech at the decision of the current plenary session deep into the broad masses by mobilizing all possible propaganda and agitation means so as to move the minds of the masses. Thus, party organizations should lead the entire country to seethe with the struggle to implement the decision of the plenary session and with an atmosphere of creation and innovation.

Party organizations and functionaries should discuss, without delay, the direction and ways in carrying out the decision of the current party plenary session in their respective sectors and units and should vigorously accelerate the new march with correct operations and methods.

By thoroughly carrying out the Taean work system in conformity with the demands of their new duties and reality, economic guidance functionaries should plan and coordinate the economic organizational work, should make the economic management work more scientific and rationalized, and thus should enhance the superiority and vitality of enterprise complexes. In particular, deeply recognizing that all successes of economic construction depend upon the development of science and technology, economic guidance functionaries should vigorously push ahead with the economic organizational work for technological development and thus should cause the flames of massive technological innovation to blaze. In order to effect a new turn in socialist economic construction by thoroughly implementing the decision of the plenary session, the flames of the mass movement should further blaze.

By setting forth the goals of various massive movements, including the movement to win the red flag of the three revolutions, and thus by more vigorously pushing ahead with these movements, all sectors and units should lead the broad masses of producers to unanimously turn out to the new battle.

What is particularly important in effecting a new turn in socialist economic construction by upholding and following the spirit of the current plenary session is to firmly arm ourselves with our party's revolutionary ideology, the chuche idea, and to think and act only according to the demand of the chuche idea.

All party members and working people should more firmly believe that only when they advance along the banner of chuche and self-reliance can they effect miracles and innovations under any difficult circumstance. Thus, they should firmly advance only along the single road of chuche indicated by our party.

We should thoroughly carry out the task of the rural theses in carrying out socialist rural construction and should highly demonstrate the superiority of the chuche-oriented economic management system in managing and operating the socialist economy.

Rapidly developing science and technology by displaying strength and wisdom and accelerating production and construction by fully mobilizing all available reserves and potential -- this is precisely the chuche-type revolutionary spirit and work style that all of our functionaries and working people should more firmly adhere to in carrying out the decision of the current plenary session.

There is the wise leadership of the party and the leader. There is the might of the unity and cohesion our people who have struggled, going through fire and water, in response to the call of the party and the leader. There is the boundless potentiality of the self-reliant national economy. Because of this, we can easily and successfully carry out the vast task set forth by the current plenary session.

Let all of us more firmly rally around the party Central Committee headed by the respected and beloved leader Comrade Kim Il-song and vigorously wage the struggle to thoroughly implement the decision of the 12th plenary session of the 6th party Central Committee so as to effect a new advance in socialist construction.

VNS SUPPORTS KIM'S CALL FOR NORTH-SOUTH DIALOGUE

SK071004 (Clandestine) Voice of National Salvation in Korean to South Korea 0300 GMT 6 Jan 87

[Unattributed Commentary]

[Text] Hello everyone. The beloved and respected President Kim Il-song, the sun of the nation and the lodestar of the fatherland's reunification, delivered a historic policy speech at the First Session of the Eighth SPA on 30 December of last year. In this speech, as a way to alleviate tension on the Korean peninsula and to open the first path to peaceful reunification, he put forward a proposal for national salvation to hold high-level North-South political and military talks.

Stating in the speech that the key to opening a new breakthrough in the present situation on the Korean peninsula to realize the reunification of the fatherland is to alleviate the acute state of political confrontation and military tension at an early date, creating a genuine atmosphere of trust throughout the nation. The president said the following:

We acknowledge that we need to hold high-level North-South political and military talks to solve prior, urgent problems that have arisen in realizing the reunification of the fatherland.

The proposal advanced by the president to hold high-level North-South political and military talks recognized that such talks would have to discuss measures to bring an end to the present political confrontation, such as a suspending mutual slander and defamation and promoting national ties by realizing diversified collaboration and exchanges between the North and the South, and such steps to alleviate the present tension as reducing armed forces, halting the arms race, converting the Military Demarcation Line and the DMZ into a peace zone, and halting large-scale military exercises.

The proposal also specified that the high-level North-South political and military talks would have to discuss measures to enhance the authority of the Neutral Nations Supervisory Commission [NNSC] and the problem of organizing the Neutral Nations' Supervisory Forces, consisting of military personnel from Czechoslovakia, Poland, Switzerland, and Sweden -- the members of the NNSC -- as an organization to supervise the military actions of both sides.

President Kim Il-song added that besides these problems, he is willing to discuss any proposal by the South Korean side if it will help alleviate the political and military situation.

The proposal advanced by President Kim Il-song to hold high-level North-South political and military talks is now winning the fervent sympathy of and a hearty welcome from the entirety of the Southern and Northern masses and international social circles. This is because the proposal advanced by the president to hold high-level North-South political and military talks is an epochal step for national salvation designed to break the present deadlock on the Korean peninsula and to make a breakthrough in achieving peace and the independent peaceful reunification of the country.

As you well know, our nation has suffered the calamity of the bisection of its territory and its division as a nation for nearly 40 years. Furthermore, because of the divisive policy and the line of confrontation and war of the United States and South Korean authorities, political and military tension between the South and the North has been accelerated and the danger of touching off a new war on the Korean peninsula has continuously increased.

Today, a massive anti-North commotion is being kicked up in this land. The United States and the South Korean authorities are viciously putting out reckless propaganda as an anticomunist maneuver saying that the North has plotted a scheme for Southward invasion with the 1988 Olympics near at hand and that the North's peaceful construction of the Kumgangsan power station is for a means of attack using water. As a result of this, (?political) confrontation between the South and North has maximized.

The state of military tension on the Korean peninsula has reached a very dangerous stage. The United States, the occupier of this land, has turned this land into its nuclear base for the Far Eastern system by increasing the invasive armed forces and massively introducing nuclear weapons with each passing day. In South Korea, where approximately 1,000 nuclear weapons have already been deployed, new nuclear storage bases are now being constructed. In addition to this, various war exercises, such as the joint Team Spirit military exercise of the United States and Korea, have been constantly conducted. If this situation continues, it is clear that distrust and misunderstanding between the South and the North will be aggravated and that another war will break out soon on the Korean peninsula.

If another war breaks out on the Korean peninsula, it will inevitably expand into a worldwide thermonuclear war and inflict serious disaster and great damage to our masses and people. Those who are concerned about the future of the country and the nation can never sit and just idly watch the development of this situation. The proposal to hold high-level North-South political and military talks has been advanced in a bid to achieve a breakthrough in the situation to realize peace and the independent peaceful reunification of the country.

High-level North-South political and military talks would be a significant turning point in promoting trust between the South and the North, providing a new phase to alleviate tension in the political and military sectors, and creating an atmosphere favorable to comprehensive dialogues.

Under circumstances in which political and military confrontation exists because of the division of the country and the nation, no country around the world could successfully realize economic collaboration and exchange or implement humanitarian work, and if this is successfully realized or implemented, it cannot be used for confrontation in the political and military sector.

If the high-level North-South political and military talks take place, and a satisfactory result is achieved so that an atmosphere of trust and the alleviation of tension is created in the political and military sector, dialogue in various sectors would be successfully carried on. If this is actually realized, it is possible for us to discuss the fundamental questions to realize reunification of the South and the North by holding high-level North-South talks.

The proposal to hold high-level North-South political and military talks advanced by the President Kim Il-song is based on the demand of the present situation and the historic result of the North-South dialogue. At the same time, it is a just measure coincident with the demand of our masses and the masses of the world who want to solve the question of reunification through dialogue and negotiation based on the principle of self-determination by the people.

Considering the questions to be discussed at the talks, the proposal is a rational and realistic move toward national salvation that is not partial to either side, but can be accepted by both sides.

This new proposal for dialogue, advanced as authorities are unprecedently intensifying the anticommunist and anti-North commotion at the instigation of the United States, includes the broad generosity, capacity, and magnanimity of the President Kim Il-song, the sun of the nation and the lodestar of national reunification, who gives first priority to the interests of the country and the nation and makes everything obey the cause of the fatherland's reunification irrespective of [passage indistinct].

Our masses and the masses of the world heartily support and welcome this proposal and ardently hope that a bright outlook will open for solving the question of the Korean peninsula through immediate realization of this proposal.

The matter of which attitude or step we should assume or take toward the North's sincere proposal is an important milestone that proves whether we want peace or not or reunification of the country.

If the authorities really want to settle the present difficult situation between the South and the North and realize peace and peaceful reunification of the country, they must positively respond to the proposal for high-level North-South political and military talks advanced by the North.

DEFLECTION OF DPRK DIPLOMAT IN DENMARK REPORTED

SK080930 Seoul YONHAP in English 0920 GMT 8 Jan 87

[Text] Seoul, Jan. 8 (YONHAP) -- The Foreign Ministry confirmed Thursday that a North Korean diplomat defected in Copenhagen, Denmark, late last November. The diplomat has been granted political asylum in a Western country, a ministry official said Thursday.

The official said no detailed information is yet available about the North Korean's reason for defection or his present location. The ministry is making efforts to obtain more information about the defection through diplomatic channels, the official added.

According to wire reports, the North Korean diplomat asked Danish authorities for political asylum on Nov 21, after he arrived in the Danish capital to assume his post at the North Korean Embassy there. The defector has reportedly been sent to another Western country.

DPRK ATTEMPTS SOUTHERN BUSINESSMAN'S KIDNAPPING

SK080858 Seoul YONHAP in English 0841 GMT 8 Jan 87

[Text] Hong Kong, Jan. 8 (YONHAP) -- A South Korean businessman caught in a badger game and kidnapped by North Korean agents recently escaped from a hotel in Singapore, it was learned here Thursday.

Agents of the North Korean Embassy in Singapore tried to force the South Korean, identified as Yun Tae-sik, 28, to go to Pyongyang via Yugoslavia.

Yun, who runs a motion picture company in Hong Kong, flew to Singapore on Jan. 4 to search for his wife, who disappeared from Hong Kong two days earlier. On Jan. 3, Yun heard from a Korean man residing in Japan that his wife, Kim Ok-bun, 34, had gone to Singapore to avoid her debtors. Kim had been won over by North Koreans in their attempt to abduct the South Korean businessman. When Yun arrived at the Singapore airport, he was met by a woman who, it was learned later, works for the North Korean Embassy. The woman told Yun that she was a friend of his wife and took him to the Shangrila Hotel.

On the next day, the same woman induced Yun to the North Korean Embassy in Singapore where North Korean officials urged him to defect to North Korea via Yugoslavia and Switzerland, saying that his wife was in Pyongyang. Yun said he was also ordered by the North Koreans, including one who introduced himself as Charge d'Affaires Yi Chang-yong, to hold a press conference in Switzerland and to make statements slandering South Korea.

The North Korean officials told Yun to say that he decided to seek political asylum in North Korea because he felt that his life in South Korea was in danger. They also directed Yun to say that he had offered political funds to the Rev. Mun Ik-hwan and Rep. Yu Song-hwan, who are behind bars in Seoul for alleged anti-government activities.

According to the scenario, Yun was forced to say that he fled to Hong Kong after Mun and Yu were arrested and South Korean authorities launched investigations into their activities. The North Koreans threatened to kill Yun's family members in Seoul if he failed to carry out their demands.

Yun said he sneaked out of a hotel on Jan 5 while the North Koreans weren't looking, flagged down a taxi and escaped to the South Korean Embassy.

He met his wife last September when he went to Hong Kong on business. They married on Oct. 16. After their marriage, Kim offered to give Yun 5 million Japanese yen to establish a video cassette movie company. Kim, acting under instructions from North Korea, told him that she borrowed the money from a friend in Japan. North Korea had planned to use the company as a base for approaching the South Korean Consulate General in Hong Kong and to open an office on Jan. 15 at the Korea Center building where the Consulate General is located.

On Jan. 2, two Koreans believed to be members of Chongnyon, a pro-Pyongyang Korean residents' organization in Japan, visited Yun at his home, saying they had something to tell him about Kim. While Yun was out of the house buying cigarettes, the two Koreans and Kim disappeared, according to Yun. One of the two Koreans who visited Yun's house on Jan. 2 came back the next day and told him that Kim was in Singapore.

ROK Denounces Kidnapping

SK080920 Seoul YONHAP in English 0903 GMT 8 Jan 87

[Text] Seoul, Jan. 8 (YONHAP) -- The South Korean Foreign Ministry Thursday urged Pyongyang to stop its efforts to kidnap South Koreans, calling the abductions "inhuman and barbarous acts." The ministry's comment was in response to the recent attempt by North Korea to kidnap a South Korean businessman. Yun Tae-sik, 28, reportedly escaped Monday from a hotel in Singapore after being abducted by a North Korean scheme involving his wife whom he married last October.

In the statement, Foreign Ministry Spokesman Kim Hung-su said that North Korea has kidnapped many South Koreans in the past few years, including a South Korean film couple, Sin Sang-ok and Choe Un-hui. Kim pointed out that North Korea has recently kidnapped South Korean residents in or visitors to Japan and other Southeast Asian nations. After luring them into a trap, they are taken to North Korea. They are then instructed to make false reports as if they are political refugees.

Pyongyang apparently plans to return the kidnap victims to South Korea through Southeast Asia or Europe, after training them in espionage, Kim said.

DJP TO PURSUE DIALOGUE ALONG YI MIN-U TERMS

SK080133 Seoul THE KOREA HERALD in English 8 Jan 87 p 1

[Text] The ruling Democratic Justice Party decided yesterday to step up efforts to hold negotiations with the opposition on the "Yi Min-u Formula."

The decision was reached in a meeting of major party officeholders convened to discuss move within the main opposition New Korea Democratic Party to put a brake on Yi's proposal.

Emerging from the meeting, party spokesman Sim Myong-po said the DJP views Yi's formula as an official expression of willingness to discuss the DJP-proposed cabinet form of government.

"Our party will actively pursue political negotiations over Yi's suggestion," he said.

The spokesman said the party will go ahead with a plan to set up an interparty committee for negotiations on the formula, adding that the issue will be taken up when leaders of the three major parties meet, possibly next Tuesday.

The Yi Min-u formula refers to his suggestion presented late last month that he might agree to discuss the cabinet format of government, should "seven preconditions for democratization" be met.

Stressing that the DJP considers Yi's proposal an official position of the opposition NKDP, Sim said, "We do not regard the two Kims as our political partners."

The two Kims, de facto leaders of the opposition NKDP, are said to have affirmed that the opposition party should continue to seek a direct presidential election and that Yi's democratization proposal should not be linked with constitutional negotiations.

Meanwhile, party sources said Chairman No Tae-u and others at the meeting of the DJP officeholders expressed worries that the two Kim's move might complicate future political developments.

According to the sources, the DJP officeholders shared the view that should the NKDP nullify Yi's formula, the DJP would have to give up efforts to compromise with the opposition on the constitution issue.

They said the DJP officeholders agree that before working out specific countermeasures, they should wait for the NKDP to make a final decision on the matter.

Present at the DJP meeting were Secretary-General Yi Chun-ku, Floor Leader Yi Han-tong and Deputy Secretary-General Kim Tae-ho.

'TEXT' OF HENG SAMRIN'S NATIONAL DAY SPEECH

OM071345 Phnom Penh SPK in English 1200 GMT 7 Jan 87

[Text] Phnom Penh SPK January -- Following is the full text of the commemorative speech delivered by Heng Samrin, general secretary of the party Central Committee of the People's Revolutionary Party of Kampuchea and State Council president of the People's Republic of Kampuchea at a meeting in Phnom Penh today to mark the eighth national day (Jan 7/1979-1987):

Distinguished guests, dear comrades and friends, today, we are celebrating the eighth anniversary of the January 7, 1979 historic victory at a time when our people throughout the country have obtained successes in many fields after a year of hard working and courageous fighting in implementation of the resolutions of the fifth party congress.

I would like to extend, on behalf of the party, the State Council and the United Front for the Construction and Defence of the Kampuchea Fatherland, the New Year greetings of solidarity and brilliant successes to the distinguished guests, comrades, to the compatriots and combatants throughout the country, to our overseas residents and to all our brothers and friends, near or far.

Each past year shed more and more light on the great significance of the day of January 7, 1979 which not only terminated the genocidal mishap unprecedented in our country's history but also ushered in a new era for our nation, an era of independence, freedom and advance to socialism and an era in which the combination of the national strength and the strength of epoch results in the invincible strength. With that trend and strength, no hostile force and no evil scheme can check our advance.

First of all, on the military and security fronts we have constantly consolidated our overwhelming posture from the border to the interior. The Chinese ruling circles' threat "to teach Vietnam a second lesson" failed to prevent the vigorous offensive of our Army in close coordination with the Vietnamese volunteer army, which has blotted out the entire system of the Khmer reactionaries' strongholds along the Kampuchea-Thai border. Thailand's recent direct ground, air and artillery attacks could not push back our armed units which are standing firmly on border heights. The border defence line, built with the participation of the increasing number of our people and militiamen throughout the country, has been ever consolidated and become effective. Glory to the armymen, militiamen and compatriots who have stood firmly under the enemy bombings and shellings and overcome all kinds of shortages and diseases to defend every inch of land of the fatherland at the frontier! How noble are the Vietnamese army volunteers who have left their country, their native places and families and come here to share with us all sacrifices and hardships for the security and happiness of our people!

The plunderings and other hideous crimes committed against our people by these enemy remnants, who infiltrated into the country, have all the more clearly unveiled the true face of treason and deception of the ringleaders of the so-called "tripartite coalition government", who are clamouring for "the national liberation", "the national reconciliation".

The more clearly our people, including the youth, realize the traitors' treacherous designs, the more they are determined to stand up against them, to defend the village and commune security and the life of each family, to defend the revolutionary power and the Kampuchea-Vietnam militant solidarity. The facts that all the above-said ringleaders' slanderous and deceptive contentions were more clearly exposed and the contradictions among the three Khmer reactionary factions and within each faction became so acute that they killed one another have wakened more and more misled people, including some enemy high-ranking commanders, making them return to the people and the revolution. We would like to say to those who are still in the enemy ranks that the longer they still stay in the enemy ranks the more shameful their fate will be. Our people are ready to receive them with open arms and they will have a position in the national community worthy of their feelings towards, and merits done for, the people and the revolution.

In the economic and social fields, we have continuously stepped up the production and step by step stabilized our life after a year of hard struggle against natural disasters, floods and drought, and the enemy plunderings and sabotage. For the first time since the liberation on Jan. 7, 1979, many targets in the country's four economic spearheads -- food, rubber, timber and aquatic products -- have been achieved or surpassed beyond our expectation. In food production, the primary spearhead, though the norms in area and output were not achieved, the marked increase in productivity throughout the country has promised future bumper crops. Rubber, timber, marine products and short-term industrial crops have helped develop industry and handicraft and increase the export value. Great efforts have been made by the agricultural, rubber, aquatic products and trade services to serve production and the people's and combatants' life. Education, public health care and culture have developed quantitatively compared with the former regimes, though greater efforts should be made to improve the quality, the vast majority of our labouring people have realized that no former regimes cared for their health and spiritual life and their children's education better than the present regime of the People's Republic of Kampuchea.

Eight years ago our people had to live in misery and ordeals without dignity, native places, homes, families, markets, etc., but, things are quite different now. People have joined in building their communes and country; new houses were built; families reunited; schools, markets, infirmaries, maternity homes and artistic activities were seen everywhere; peasants could buy oxen, carts; the provincial towns and the capital city of Phnom Penh have become political, economic and cultural centres. From these above-mentioned efforts and achievements in the military, security, economic and social fields our revolutionary power has been continually consolidated, first of all in villages and communes.

Guided by the resolutions of the party Central Committee's Second Plenum, all services and organizations at all levels have turned their activities to the localities, taking the results in serving the people and building the localities as a measure for each unit's achievements. Many cadres from central offices, provinces and cities, who were sent to the localities, have set bright examples in their self-devotion, helping local cadres, caring for the people's life, mobilizing the masses to participate in the three revolutionary movements and on that basis gradually readjusting the contingent of leading cadres, developing the nucleus forces and consolidating the militia force, the security force and solidarity production groups.

The work of building and consolidating the armed forces and party organisations has been closely linked to the effective building and strengthening of localities. The revolutionary armed forces are developing quickly in quantity, step by step increasing their fighting capacity and improving their political quality, and showing the fine revolutionary nature of the armed forces, that is from the people and for the people to fight and to work. The party organisations have expanded to communes, city wards, factories, Army units, etc., making each party cell and each party member gradually promote their vanguard role and militant capacities in their increasingly close contacts with the masses.

All these aforesaid achievements were brought about thanks to the great services of our people, cadres and combatants. In each bowl of rice we eat, each piece of clothes we wear, each joy, each smile and each song of our people there were great services done with noble loyal internationalist feelings by the fraternal Vietnam, which we will remember for thousands of generations. On this solemn day I would like to extend, on behalf of the party Central Committee, the State Council, the Council of Ministers and the front's National Council, my commendation to all the workers, the peasants, intellectuals, the youth, compatriots of all ethnic and religious groupings and members of armed forces throughout the country.

I would like to send my special regards to the sick and wounded armymen and the families of fallen combatants, wounded soldiers, armymen and of frontier workers. I would also like to bow my head before the souls of fallen combatants whose services live for ever in our cause of national defence and construction and in our people's boundless gratitude. I would also like to convey our people's commendation and love to all officers and men of the Vietnamese volunteer army with its noble name "Uncle Ho's soldiers" and to all Vietnamese experts -- our comrades and close friends -- who always stand by our side in all hardships and dangers. I would also like to extend our fondest regards to the families of Vietnamese army volunteers and experts. Those successes all the more prove the correctness of our party and state's internal and external lines as defined by the fifth party congress. We concretized and will continue to concretize these lines into policies and creative and scientific measures in all domains of life in order to bring into full play our people's great strength in combination with the strength of epoch [as received], and advance our revolutionary cause to the final victory.

Comrades and friends, the eighth national day of the People's Republic of Kampuchea is celebrated in an international conjuncture with many important events. Of particular importance to us are the congresses of the fraternal parties, of which the 27th Congress of the Communist Party of the Soviet Union, the Fourth Congress of the Lao People's Revolutionary Party and the recent Sixth Congress of the Communist Party of Vietnam are our primary concern. The 27th Congress of the CPSU has opened up a new trend, a trend of comprehensive renovation in the socialist countries for the sake of their might and the happiness of the people in the Soviet Union and the socialist community as a whole, and for the sake of peace and survival of each nation in the world. We warmly acclaim the new brilliant achievements recorded by the Soviet people since the 27th Congress of the CPSU. With our profound gratitude to the Soviet Union for its role as the mainstay of the socialist community and for its immense assistance to the Kampuchean revolution we will do our best together with the Soviet people and the progressive people the world over to welcome through our practical deeds the 70th anniversary of the Great Russian October Revolution in this year, 1987.

We warmly hail the fine success of the Fourth Congress of the LPRP and the Sixth Congress of the CPV. All your successes and achievements are our own joy. All your shortcomings and errors are useful lessons for us. We are convinced that from these congresses a new turning point in the development of the revolutionary movements in the two fraternal countries, Vietnam and Laos, will be created, thus strengthening the militant solidarity among our three socialist countries on the Indochinese peninsula. We greatly value the wholehearted support and assistance of the Republic of India, a great and prestigious country in the Non-Aligned Movement and the international community, which, with a population of more than 700 million people, has soon recognised our People's Republic of Kampuchea. The support of the Indian Government headed by His Excellency Rajiv Gandhi for the three Indochinese countries' foreign policy, together with the visit to India by Comrade Gorbachev, general secretary of the CPSU Central Committee, made us extremely elated at our international strength in the struggle for peace, stability and cooperation in the region.

Allow me to express once again the most sincere thanks of our party, government and people to the parties, governments and peoples of all fraternal governments and peoples of all fraternal socialist countries, to the governments and peoples of friendly countries, to international organizations and people of conscience for their wholehearted support and assistance to our Kampuchean revolutionary cause.

Having escaped from the protracted imperialist wars of aggression and resurrected from the genocidal catastrophe caused by expansionism and hegemonism, our people, more than anyone else in any place, ardently cherish peace and stability. Therefore, we warmly welcome and resolutely support the Soviet Union's tireless efforts and well-meaning and principled stance as clearly expounded in its statements following the Reykjavik summit and Comrade Gorbachev's statements at Vladivostok. We warmly acclaim and strongly support the New Delhi statement between General Secretary Gorbachev and Prime Minister Rajiv Gandhi on the principles for a nuclear-free and non-violence world. We warmly hail the efforts of the Soviet Union and other fraternal socialist countries to normalise relations with China. We warmly hail the just and goodwill stand of the Lao People's Democratic Republic in opening talks with the Kingdom of Thailand and the People's Republic of China to improve the relations between Laos and Thailand and between Laos and China. We resolutely support the heroic struggles of the peoples in Nicaragua, El Salvador, Central America and the Caribbean, the peoples in South Africa and African frontline countries, and the Palestinian and other people in the Middle East against the U.S. imperialists' intervention and aggression, the South African reactionaries' apartheid and the Israeli reactionaries' Zionism.

Therefore, we, together with the fraternal Socialist Republic of Vietnam and the fraternal Lao People's Democratic Republic, are always prepared to find a political solution for the Kampuchean issue through negotiations between countries and parties concerned; to normalize the neighbouring relations with the Kingdom of Thailand and the People's Republic of China; and to cooperate with the ASEAN countries and other countries in the region in order to build this region into a zone of peace and stability. We have always persisted in that goodwill stance.

However, the expansionists and hegemonists, the reactionaries within the Thai ruling circles, and their stooges -- the Pol Pot genocidal clique and other Khmer reactionary forces -- have not given up their schemes of nibbling our land and overthrowing us.

In their weakening position and difficult plight, the enemies are feverishly employing more treacherous tricks to attack us. They avoid our strong points and our strong units, but suddenly attack us wherever we are weak and whenever we neglect our vigilance. They have resorted to psychological warfare ploys in an attempt to create illusions, weaken our people's and combatants' fighting will, poison our minds and lifestyle so as to debauch our cadres and combatants, to sow division among us and split the Kampuchea-Vietnam solidarity. The struggle between us and the enemies will occur more and more fiercely in the localities, first of all in villages and communes. In whatever circumstances, the only correct way for us is to persist in the three immediate objectives of the Kampuchean revolution set forth by the fifth party congress, that is to suppress all attempts of insurrection of the Pol Pot genocide perpetrators and other Khmer reactionary forces, to strengthen the overwhelming power of the revolution, and to constantly consolidate the Kampuchean-Vietnam-Laos special alliance and the alliance with the Soviet Union and other socialist countries.

The victory of the revolution can only be determined by the revolutionary forces' strength which stems from the national unity and international solidarity. We have to quickly step up the building of the revolutionary forces in all fields, political, military, economic and cultural. First of all, we have to concentrate our efforts on: building the party strong ideologically and organizationally, strong in its contingent of key leading cadres and in its cells as to be capable of leading the masses in the present difficult and complicated struggle in many fields; building the armed forces into a strong one consisting of the regular Army, the regional Army and the militia and security force so as to be able to protect the people, defend the administration and the frontier of the fatherland.

Making the grass-roots units, first of all villages, communes, wards, factories and Army units strong so as to educate, mobilize and organize the majority of the masses in their revolutionary deeds for the noble cause of national defence and construction.

For the time being, let our entire party, entire people and Army step up the fight against the enemies and the proselytizing of the misled people; quickly and neatly harvest the monsoon crops while actively doing the dry-season crops; and to strictly abide by the trade contracts between the state and peasants on purchasing peasants' rice and selling them commodities to serve in time their production and life.

Let all branches and all levels turn their activities to the localities, thus creating favourable conditions for them to fulfill the task of better serving the people and combatants. Let us strive harder to obtain great successes right in the first months of the year so as to create momentum for greater successes in 1987, the key year in the five-year plan of implementing the resolutions of the fifth party congress.

Let the cadres and party members bring into full play their sense of responsibility toward the fatherland and the revolution, show more love and respect for the people and combatants, and follow the example set by the fraternal parties in their renovation of thinking, looking straight at the truth and promoting self-criticism and criticism so as to clearly realize our minuses and pluses, to correct our shortcomings and errors, and fulfill in a creative and most effective way all tasks assigned.

All for the cause of national defence and construction, and for the happiness of the people!

Long live the People's Republic of Kampuchea, the state of the Kampuchean labouring people!

Long live the People's Revolutionary Party of Kampuchea!

Long live the Kampuchea-Vietnam-Laos militant solidarity and special alliance!

Long live proletarian internationalism! Long live peace and world revolution!

FOREIGN MINISTRY DELEGATION DEPARTS FOR MOSCOW

OW071604 Phnom Penh SPK in English 1158 GMT 7 Jan 87

[Text] Phnom Penh SPK January 7 -- A delegation of the Foreign Ministry of the People's Republic of Kampuchea led by Deputy Minister Bo Rasi left here recently for Moscow, Soviet Union, to attend the conference of the deputy foreign ministers of the socialist countries.

The conference will be held from January 8-9 in the capital city of the Soviet Union.

PASASON EDITORIAL ON PRK NATIONAL DAY CITED

BK071416 Vientiane Domestic Service in Lao 0000 GMT 7 Jan 87

[PASASON 7 January editorial: "Eight Years of Incessant Growth and Strength of the PRK"]

[Text] Seven January 1979 was a glorious and bright day in the history of Cambodia. It was the day in which the Cambodian people rose up together to fight victoriously to topple the genocidal Pol Pot-Ieng Sary-Khieu Samphan regime with the effective and timely assistance and support from the Vietnamese volunteer forces as well as the Vietnamese and Lao peoples and the other fraternal socialist countries.

In only 3 years, 8 months, and 20 days under the rule of the genocidal regime, the Pol Pot-Ieng Sary-Khieu Samphan clique imposed untold hardships on the Cambodian people and created all sorts of confusion in Cambodia. Cambodian society was seriously undermined and destroyed and witnessed barbarous and notorious killings unprecedented in the history of mankind. The national economy and culture were totally destroyed and buried in the abyss of disasters. More than 3 million innocent Cambodian people of all strata, including children, women, old people, and Buddhist clergymen became the victims of the hellish fire of genocide of the Pol Pot-Ieng Sary-Khieu Samphan clique.

Having been through such horror, since the liberation in 1979 under the correct leadership of the KPRP headed by Comrade General Secretary Heng Samrin, the Cambodian people have built a new life and have followed the new path they have chosen. With assistance from the fraternal socialist countries, including Vietnam, Laos, and the Soviet Union, over the past 8 years of building the new life, the fraternal Cambodian people have managed to score miraculous victories in various fields. For example, in 1980 they managed to overcome the problem of food shortage. In 1981, the Cambodian people scored great victories in the political field, for example the election to the National Assembly, the establishment of the revolutionary administrations at all levels, and the success of the fourth party congress in which the correct revolutionary tasks and the foreign and domestic policies were spelled out. In 1982, the fraternal Cambodian people smashed the political, military, and psychological warfare schemes of the enemies who have raised the banner of the so-called tripartite coalition government as a signboard while, in fact, still retaining the true nature of the Pol Pot clique. In 1984, the Cambodian people celebrated the fifth anniversary of their national day in a majestic manner. In the 1984 dry season, the Cambodian People's Army completely destroyed the strongholds of the Cambodian reactionaries along the Cambodian-Thai border, thus forcing all of them to flee from Cambodian territory.

In 1985, the Fifth KPRP Congress was successfully convened. It outlined the realistic guidelines for the First 5-Year State Plan. In 1986, which was the first year of the First 5-Year State Plan from 1986 to 1990, the Cambodian people scored significant victories and achievements in rehabilitating and developing the economy and society. These great significant victories are not only the victories and achievements of the Cambodian people's revolution but also of the revolutions in Indochina, of socialism in Southeast Asia, and of progressive mankind throughout the world. The Lao people of all tribes wholeheartedly congratulate the fraternal Cambodians for scoring great victories and achievements in the past 8 years. We regard these victories as our own. The Lao people hail and support the peace proposals and correct stand of the PRK expressed in the communique issued by the latest conference of the foreign ministers of the three Indochinese countries and its systematic rejection of the 8-point proposal of the so-called tripartite coalition government, which is, in fact, aimed at paving the way for the genocidal criminals to return to rule Cambodia again.

The lessons of the history of the struggle by the three Indochinese peoples in the past several decades and the revolutionary acts carried out by the Cambodian people in the past 8 years have proved that the militant solidarity, special relations, and all-round cooperation among the three Indochinese countries are a matter of life and death for the destiny of each country, the law for development of the revolutions in the three countries, and the necessary conditions for fulfilling together the historical obligations to securely defend the socialist outpost in Southeast Asia. Under the beacon of the summit meeting of the three countries -- Laos, Vietnam, and Cambodia -- in February 1983, the broadening of the all-round cooperation of the three countries among various services and localities in the economic, cultural, scientific, and technical fields and the close coordination in carrying out international activities have served to further enrich the special relations among our three countries, to strengthen the mutual understanding, trust, assistance, and support among them in fulfilling the revolutionary cause of each country, and to strengthen the high-level political unification among the three parties and countries. As in the past, the Lao party, state, and people will do everything to strengthen the militant solidarity and to broaden and deepen the all-round cooperation with Vietnam and Cambodia so as to make it more efficient and qualitative, thereby building aggregate strength for scoring victories for the cause of national defense and socialist construction in each country and allowing the three countries in Indochina to further enhance their positive roles toward peace and stability in Southeast Asia as well as peace and security in the world.

On this auspicious occasion, once again the Lao people wish the fraternal Cambodian people new greater successes in fulfilling the tasks outlined by the Fifth KPRP Congress.

May the great friendship, special relations, and all-round cooperation among the three Indochinese countries -- Laos, Vietnam, and Cambodia -- bear more fruits and last forever.

RADIO EDITORIAL REVIEWS 1986 ACHIEVEMENTS

BK020957 Vientiane Domestic Service in Lao 0430 GMT 1 Jan 87

[Unattributed radio editorial: "Entering the Second Year of the Second 5-Year State Plan, Let Our Armed Forces Score New, Greater Achievements"]

[Text] The year 1986 has gone in accordance with the law of nature. It was a year of the resolute and heroic struggle of our people and Army -- a year in which the entire Lao people jointly struggled to surmount difficulties and a thousand and one trials to achieve a new posture of the revolution in the new period. It was a year in which our Army and people fulfilled many great tasks of historical significance in the political, military, and economic spheres. It was a year in which we smashed all multifaceted brutal and dangerous schemes of sabotage of the international reactionary forces in collusion with the imperialists headed by the U.S. imperialists, thus firmly defending our frontier, independence, sovereignty, and territorial integrity, and ensuring order and peace for our daily life and national development.

On the front of economic construction and improvement of our entire people's material and spiritual life, even though our national development was beset with difficulties and natural calamities, the production of grain and foodstuffs has increased continuously.

According to the expected figures for 1986 released by the statistics center of the State Planning Committee, the total cultivated area of rice was 641,632 hectares, including more than 385,000 hectares for main rice cultivation, more than 7,100 hectares for dry season rice cultivation, and more than 256,600 hectares for upland crop cultivation [figures as heard]. The total production output was approximately 1,490,300 metric tons. The main rice production output alone was more than 1,081,900 metric tons. On the average, rice production output was 2.8 metric tons per hectare. The dry season rice harvest totaled more than 27,300 metric tons -- an average of 2.7 metric tons per hectare. The upland crop harvest totaled more than 340,000 metric tons throughout the country -- an average of 1.3 metric ton per hectare. There were 3,976 cooperatives throughout the country during the period.

The raising of cattle, pigs, goats, and poultry is receiving attention and is being extensively developed to partially meet the requirements of the entire society. The planting of fruit trees and industrial crops and the exploitation of forest products are being carried out and developed.

Therefore, it can be said that 1986 was a year in which the Army and people scored a great, multifaceted, and firm victory. It was a year of great victory for the forces of revolution, peace, democracy, and social progress throughout the world. The spirit of militant solidarity and all-round cooperation between Laos and the Soviet Union has developed with new, firmer steps. Thanks to the victories of strategic significance of the revolutions in the three fraternal Indochinese countries, the solidarity and special militant alliance among Laos, Vietnam, and Cambodia have been strengthened. The three Indochinese countries have brought into full play their role as an important factor of peace and tranquility in Southeast Asia.

The three epochal revolutionary currents in the world continue to develop vigorously, thus continuously smashing the dangerous and frantic war planning of the imperialists and the international reactionaries headed by the United States. The socialist community, with the Soviet Union as the mainstay, is growing and becoming strong and united in all respects with each passing day. This community is entering the final years of the 20th century with immense economic and social plans. Peace movements are developing with new quality and quantity. Struggles for the elimination of nuclear weapons and against the arms race have been repeatedly displayed in the form of parades, demonstrations, and the display of slogans throughout the world and in the United States itself. The victories of the struggle against colonialism and neocolonialism contribute to consolidating the independence of various nations and to strengthening the voice of various nations in deciding various major international problems.

We are entering the year 1987 with the objective revolutionary spirit and with firm confidence in our ability to surmount all difficulties and various trials to lead the revolutionary cause to advance. We still have many difficulties; our economic difficulties remain urgent. However, we have achieved new progress and new factors and know more profoundly how to exploit our strength and the untapped potentials of the country. Certainly, we will advance with revolutionary perseverance and with the spirit of mastery in order to make 1987 a year in which our entire party, Army, and people will successfully translate into practice the resolutions of the fourth party congress concerning the implementation of the new economic management mechanism in the transition period of the country's socialist revolution cause.

Thanks to the enemy's cruel schemes we will continue to encounter many trials in 1987. Our country is enjoying peace while countering a multifaceted war of sabotage. It is standing ready to defeat the enemy's war of aggression and fulfill its glorious international obligations.

Under any situation we will resolutely carry out two strategic tasks -- to defend the country and build socialism; vigorously strengthen national defense and the maintenance of public security; coordinate the economy with national defense; and make our country strong with each passing day in the economic and national defense spheres. Everyone must work with high efficiency to create abundant sources of material and fulfill the task of defending the country and maintaining its security.

The year 1987 will be a year of persistent struggle to produce goods and practice thrift. Everyone, every branch of service, cadres, party members, the Army, and the people from the central down to the grass-roots levels must strive to work with revolutionary perseverance and a high sense of responsibility and take the initiative in carrying out activities in order to contribute to the common revolutionary cause; bring about new, vigorous changes in the national economic system; and create favorable conditions for our advancement in the coming years.

Entering the year 1987, we will carry out a heavy and significant task -- to resolutely organize the successful implementation of the resolutions of the Fourth Party Congress. We are entering the new year with profound understanding of the contents and spirit of the resolutions of the Fourth LPRP Congress. We are determined to score new, greater achievements in the period of the socialist revolution in our country, thus contributing to crowding the year 1987 with great, glorious success.

MINISTRY STATEMENT ON DIPLOMATS' HOUSING, GOODS

BK071544 Vientiane Domestic Service in Lao 1200 GMT 7 Jan 87

["Statement of the LPDR Foreign Affairs Ministry" -- date not given]

[Text] The LPDR Foreign Affairs Ministry would like to pay tribute to all the foreign embassies, the office of the UN representative, and various international organizations stationed in the LPDR and has the honor to inform them as follows: To strengthen the solidarity and friendship between the LPDR and the embassies, the office of the [UN] representative, and the various international organizations stationed in the LPDR, and to ensure security for them in all respects and, on the other hand, to comply with the various ordinances and rules implemented by Vientiane municipality on the meeting of the material and spiritual requirements for security of all foreigners stationed in Vientiane capital, the Foreign Affairs Ministry once again would like to inform the embassies, the office of the [UN] representative, and the various international organizations that if they wish to build and repair their offices and residences and to pack official and personal belongings for shipping into or out of the LPDR, they must officially inform the Diplomatic Service Department of their needs. Diplomats and foreign experts have no privilege to directly contact any company or individuals to carry out the work except in a case in which there exist cooperation agreements between the LPDR Government and the countries or organizations concerned. It is the responsibility of the Diplomatic Service Department to assign certain companies or services to carry out the work for them.

Therefore, the LPDR Foreign Affairs Ministry would like to inform the embassies and international organizations and hopes to receive full cooperation from you. We ask you to inform all the departments under your control of this matter.

We hereby extend our best regards to you.

THAI DAILY ON RIFTS AMONG RESISTANCE GROUPS

BK220625 Bangkok BANGKOK POST in English 22 Dec 86 p 4

[By Suthep Chawiwat]

[Text] During the Thai delegation's visit to Vientiane led by the Prime Minister's adviser Arun Phanuphong, Lao-tain delegates raised their concern over alleged Thai support of Laotian rebels fighting the Kaysone Phomvihan government.

Laotian diplomats in Bangkok told the BANGKOK POST recently that they had made several verbal requests for the Foreign Ministry and National Security Council to help stop the rebels from operating in Laos.

"We are not afraid of these CIA-backed reactionaries, but we are disturbed by them," the diplomats said.

Thailand has repeatedly denied these allegations.

The question concerning Laotian resistance may, in fact, be a non-issue because at present the resistance presents no real threat to the Laotian government.

Compared to Burma, which has numerous resistance groups formed along ethnic origins, 10 of which belong to the National Democratic Front, the Laotian resistance groups are less organised and are plagued with disunity -- a major obstacle to success.

Although there are as many as 20 Laotian resistance groups, only four can be said to have any semblance of organization and structure.

Even then, internal rifts and rivalry hinder closer cooperation in their attempts to oust the Pathet Lao, which took over control of the land-locked country 12 years ago.

The groups constantly accuse one another of being insincere in their fight against communism, and armed clashes among the groups occur frequently.

The four main groups currently operating in Laos are the United Front of Laos People for Liberation of Laos (UFLPLL), the Neo Home Potpoi Sat Lao (Liberation of the Laotian People), the United Front for Liberation of Laos (UFLL) and the National United Front for the Liberation of Laos (Neo Huam Palang Lao Kousat).

The UFLPLL was founded by former Laotian Deputy Prime Minister Gen Phoumi Nosavan, who died in Bangkok in November last year.

The group is now under the joint leadership of Gen Khamhou Bousalat, former chief of the Royal Lao Government's Central Intelligence Service, Gen Khamkhong Bouthavong, former Second Military Region Commander, and several other former ranking officials in Laos.

Several Laotian generals, including Gen Yang Pao, the former commander of the CIA-backed Second Army Region who is now resettled in the US, leads the Neo Home Potpoi Sat Lao group.

Their troops used to be trained and financed through Edgar Buel, an American known among the Laotians and Hmong hilltribesmen as "Mr Pop."

Gen Vang Pao still makes frequent visits to his group while the former commander of the Fifth Military Region Gen Thonglit Sokbengboun is responsible for the group's frontline operations.

Former Laotian Finance Minister Phouangphet Phanalet leads the United Front for Liberation of Laos (UFLL) while the fourth group, the National United Front for the Liberation of Laos (Neo Huam Palang Lao Kousat) has leaders living in the US, Canada, France and Australia.

Although this final group has the best organisation, internal conflicts over the past two years have hampered the group's operations.

Col Bounleut Saikosi, a former Lao military attache to Washington assigned to work in the frontline of the NUFL, told the POST recently that he had already resigned to join the National Council for the Liberation of Laos, which comprises 11 Lao resistance groups.

The fourth major group is the Movement for the Liberation of the Lao Nation (MLLN), led by Hmong hilltribesman Lt-Col Pakao Heu, whose main base is situated opposite Chiang Rai Province.

Other Laotian rebels question Pakao Heu's intentions, particularly when his group receives support from the Chinese.

Pakao Heu told the POST that China is willing to help every Laotian rebel group as long as they are committed to driving the Vietnamese out of Laos.

At present, Laotian rebels get most of their support from refugees resettled in third countries but this is not enough to make resistance a formidable threat, while foreign countries are also reluctant to lend support because of the infighting and lack of cohesion.

Even the resistance's younger generation is critical of its leaders.

"If our country is to be liberated from communism the new leaders must avoid corruption unlike their predecessors," one young rebel said.

If this is not stopped, it is useless to liberate the country, the young rebel told the POST, adding: "We will not allow the corrupt [as published] to rule the country again like the previous ones."

PAPER LOOKS AT WAR RESERVE STOCKPILE ISSUE

BK070744 Bangkok SIAM RAT in Thai 7 Jan 87 p 8

[Editorial: "The War Reserve Stockpile Is Becoming a Reality"]

[Text] The 6 January issue of the BANGKOK POST reported that Thailand and the United States will sign an agreement on Friday on the establishment of the War Reserve Stockpile [WRS]. U.S. Ambassador William A. Brown will represent his country and Defense Minister Air Chief Marshal Phaniang Kantarat will represent Thailand in the signing ceremony.

According to the BANGKOK POST report, the essence of the agreement is as follows:

1. Work done on the WRS will be exempted from tax.
2. Materials stored in the WRS will be exempted from import duties.
3. Thailand and the United States will share the cost of the WRS, with each country paying U.S. \$50 million over 5 years.
4. Nuclear weapons and missiles will not be stored in the WRS.
5. The WRS will store ammunition for small arms, artillery, and mortars.
6. Thailand has been assured that establishment of the WRS in Thailand will not mean a return of U.S. military bases to Thailand.
7. Stored materials will be divided into halves -- one half for Thailand and the other half for the United States.
8. An agreement must be reached between the Thai prime minister and the U.S. President before the Thai Armed Forces can draw from the weapons which belong to the U.S. half.
9. In the case of Thailand drawing weapons from the U.S. half, Thailand must guarantee that the drawn weapons will be replaced.
10. Maintenance of the WRS is the responsibility of Thailand. U.S. officials will make periodical inspections of the WRS.
11. The United States must inform Thailand before it draws weapons from its half of the stockpile.

On the above conditions, the United States will contribute most of the munitions to the WRS, while Thailand will supply the land, buildings, and security services for the WRS.

The BANGKOK POST report confirms that Thailand has agreed to let the United States use its territory to set up the WRS. However, there was no mention of where the WRS will be sited, but it is thought that U-taphao will be a suitable site.

Now that the military establishment has decided on its own to enter into the agreement with the United States without consultation of parliament, we wonder if the Defense Ministry made any conditions for termination of the WRS. We are certain that the Thai people do not want the WRS to remain in their country indefinitely. It will be even better if Thailand insists on a condition that it can terminate the WRS agreement at any time.

RADIO REPORTS DELEGATION'S DEPARTURE FOR BURMA

BK080749 Bangkok Domestic Service in English 0000 GMT 8 Jan 87

[Text] A Thai delegation led by Deputy Foreign Minister Praphat Limpraphan left Bangkok yesterday for a 5-day visit to Burma for talks with Burmese officials on the demarcation line between the two countries.

Minister Praphat said the talks will focus on how the border line could be delineated over the Rivers of Ruak Sai and Moei striding Burmese territory and Thai Provinces of Chiang Rai and Tak on the north. He is expected to sign an agreement with his Burmese counterpart on the border demarcation during the visit. Apart from the demarcation issue, he said, the Thai side will propose to Burmese authorities a cooperation in trade and Thai investment in Burma, particularly the setting up of joint Thai-Burmese trade commission to promote trade between the two countries.

The minister and his delegation will return to Bangkok on Sunday.

SIAM RAT VIEWS BURMESE BORDER PROBLEM

BK071614 Bangkok SIAM RAT in Thai 6 Jan 87 p 8

[Editorial: "The Closure of the Burmese Border"]

[Text] Recent news reports say that trade activities along the Thai-Burmese border have come to a complete halt. Reasons for this problem have not been evident as Thai consumer products have moved extensively into Burma in the past, generating large amount of earnings for Thai merchants, because Burma still lacks several kinds of necessary and luxury goods.

Regarding this problem, the Deputy Governor of Trat Province Phaibun Sappakit has said that there was no evidence to indicate that the Burmese Government has announced a ban on imports from Thailand.

Phaibun has analyzed that the border trade halt problem may be caused by the following three factors:

1. The merchants may be uncertain over the value of the kyat, as happened in 1985 when the Burmese Government announced the abolition of the exchange rate between the kyat and the Japanese yen.

2. It may be caused by the economic slump.
3. The dark border influence problem, which may face more suppression.

According to the analysis by the deputy governor of Trat, we agree that all the above three points, not just any single one, are the causes of the problem.

However, we want to emphasize that the third cause, "the border dark influence, which may face more suppression," may be the major cause rather than the other two since it is a complicated issue. Nobody will easily believe that the Thai side has seriously and effectively suppressed the smuggling of contraband. Since interests are involved, attention may not be paid to this problem.

In fact, it is very possible that smuggling is being carried out by the Burmese minority rebel groups, which want autonomy from the Burmese central government, because some border areas are under their control.

It is possible that the Burmese Government has secretly carried out measures to suppress the smuggling of goods from Thailand; and someone has interpreted it to mean that the sale of Thai goods to Burma has been reduced while in fact, it has only affected smuggling.

If the Burmese Government has really done so, it is possible that the Burmese side is creating some conditions in order to press the Thai side to become more sincere in cracking down on illegal trade along the border.

The reason to support such analysis is that on 5 January, Army Commander in Chief General Chawalit Yongchaiyut and his delegation paid a 2-day visit to Burma to strengthen relations between the Armed Forces of the two nations. It is believed that the Burmese leaders will raise this issue by accusing Thailand of having been reluctant to crack down on smuggling; so, the Burmese side has to use such methods to warn the Thai side to be more cooperative.

The minority problem along the Thai-Burmese border has caused uneasiness for both sides because the minority groups sometimes cross into Thai territory when they were attacked by Burmese forces.

We hope to see the Army under the leadership of General Chawalit Yongchaiyut carry out the duty on the border issue in a straightforward manner; otherwise, our country will be looked upon with suspicion, which will not benefit the relations between Thailand and Burma in the future.

AUTHORITIES CAPTURE 2 MALAYSIAN CP LEADERS

BK071538 Hong Kong AFP in English 1507 GMT 7 Jan 87

[Text] Bangkok, Jan 7 (AFP) — A Thai Army spokesman said Wednesday that police captured a man and a woman in southern Thailand last week who are ranking members of the Communist Party of Malaysia (CPM).

Both are ethnic Chinese Malaysians and were carrying incriminating documents, Colonel Banchon Chawasin of the Army's Southern Command headquarters said. They were arrested by border police on Friday in Songkhla Province, about 760 kilometers (470 miles) south of here, he said.

They were identified as Lao-Li Sae Li, 58, and Ah-Muey Sae Zin, 40, the colonel said. Ah-Muey was believed to be the wife of party's Eighth Regiment Commander Ar Chern and both were senior members of the Betong District party organization in the adjacent Province of Yala, he said.

They were found carrying two photographs of I-Kiang, allegedly the second-in-command of the Eighth Regiment, he added.

The Communist Party of Malaysia, with an estimated 1,500 insurgents, armed mostly with outdated World War II weapons, uses hit-and-run tactics against government forces from jungle bases straddling the Thai-Malaysian border.

TROOPS OVERRUN 10 CPM SATELLITE CAMPS

BK080257 Bangkok THE NATION in English 8 Jan 87 p 3

[Text] Thai troops have overrun 10 satellite camps of the outlawed Communist Party of Malaya (CPM) in Narathiwat in a two-week military operation in which a Thai soldier was killed and three others wounded, a senior army officer said yesterday.

The officer of the Thai-Malaysian combined force fighting remnants of the CPM in the South, told THE NATION that at least four CPM guerrillas, three of them women, were killed and three others injured in clashes with Thai forces in Sukhirin District of the southern province where the anti-red drive was launched on December 19 last year.

He said the military operation, which ended last Monday, caused "great losses" to the CPM insurgents.

The Thai soldier was killed when security forces were ambushed by a band of CPM guerrillas while moving closer to the border in pursuit of the insurgents, according to a report by the army's Fifth Division based in Songkhla.

Military sources in Songkhla, however, said at least five Thai soldiers were injured in clashes during the operation.

They said the seized camps, which belonged to the CPM Tenth Regiment and were located between four to eight kilometres from the Thai-Malaysian border, comprised more than 200 structures.

The so-called CPM Tenth Regiment, commanded by Abdulla C.D. Abusamoh, was once active in Narathiwat Province and Betong District of Yala Province, he said.

The officer added that the raid on the CPM Tenth Regiment's stronghold was supported by Malaysian troops at the other side of the border.

He also said it was the first time that Thai soldiers and rangers launched an anti-CPM Drive in Sukhirin District. The operations of the troops were supported by artillery and gunships, he said.

MATICHON ON ARMY POWER BASE, CHAWALIT'S FUTURE

BK071030 Bangkok MATICHON in Thai 1 Jan 86 pp 3, 6

[Article: "The Military Establishment in 1986-87: Year of Power Fluctuation"]

[Text] In 1986 the military establishment had a rather significant power fluctuation. In particular, the removal of General Athit Kamlang-ek from the post of Army commander enabled Gen Chawalit Yongchaiyut to move up to the post of Army commander more quickly than normal. It probably all began in the attempt in January to extend Gen Athit's date of retirement. The agenda of the 30 January meeting of the Defense Council included a proposal for Athit's extension of retirement which reportedly caused Defense Minister Gen Prem to walk out of the meeting. Gen Prem's walkout was followed by conflicting reports about whether Athit's extension was approved or not.

A show of power followed. Those who opposed an extension visited Gen Prem at his Sisao residence in a show of power, while supporters for an extension called at Gen Athit's Kesakomon residence.

A couple of days before Gen Prem made a final decision on an extension of Gen Athit's retirement, Gen Chuthai Saengthawip, the deputy Army commander, gave a press conference, extensively covered by the media, giving his support for extension for Gen Athit and reiterating that the supervisors responsible implement the extension by March and threatening that if the matter was delayed to April the heat of summer could reach 46 degrees Celsius. Meanwhile, Gen Prem left Bangkok to rally in Nakhon Ratchasima, but Gen Chawalit went to Chiang Mai. On 24 March, after assessing that his support exceeded that of others, Gen Prem gave a press conference to announce his decision not to extend Gen Athit's retirement.

Possibly in reaction to the nonextension of Gen Athit's retirement, a bomb was detonated on 8 April near the Erawan Hotel while the government was hosting a party for the visiting U.S. secretary of defense. It was concluded that the explosion was politically motivated. A couple of months earlier there was an explosion in front of the Democrat Party headquarters. A cavalry sergeant, a suspect in the 9 September coup attempt, was killed in the incident. The Special Branch commander confirmed that the explosives used at the Democrat Party headquarters and in front of the Erawan Hotel were of the same type. The dissolution of parliament on 1 April was also linked to the problem arising from the loss of power of a group of Army officers and the decision not to extend Gen Athit's retirement. And on 27 May another major event occurred -- Gen Athit was dismissed.

A day earlier -- on 26 May -- Gen Athit called a meeting of units under the Army chain of command but the Special Warfare unit in Lop Buri did not attend. That morning Gen Prem left for Nakhon Ratchasima again. At 0700 on 27 May an announcement was made replacing Gen Athit by Gen Chawalit as the Army commander and transferring Deputy Army Commander Gen Chuthai to inspector general.

These were the significant events in the military establishment in early 1986 which, in addition to bringing power to Gen Chawalit, reflect the fact that no single Army officer truly commands the loyalty of the entire Army establishment. The fact that one faction campaigned for extension for Gen Athit but another faction opposed it led to a protracted and fluid situation so that even Gen Prem was forced to delay his decision. As the campaign for extension was launched, part of the Army reportedly watched to see which side had the support of other powerful sectors of society, and this led to the fluid atmosphere.

The Post-Athit Army -- Chawalit's Power Base Is Solid at Every Level [subhead]

After Gen Chawalit became Army commander following the 27 May changes, some Army officers expected Gen Athit's supporters in power to be removed. But in the reshuffle of general rank officers in mid-September Gen Chawalit and his staff officers resorted to the policy of preserving unity with all factions. The 2d Army Region commander, Gen Phisiat Hemabut, became deputy Army commander; and the assistant commanders went to Gen Phichit Kunlawanit and Gen Sunthon Khongsomphong. Gen Phisit's ascent shows that Gen Chawalit felt it was important at the time of the dismissal of Gen Athit to prevent a power struggle among various factions which would lead to division in the Army.

In Gen Chawalit's efforts to enhance unity in the Army, it appeared that a considerable number of pro-Athit officers still commanded units in the lower level which were regarded as essential in time of a coup, and for this reason, another transfer was made in November affecting colonel rank officers, who are commanders of real power units. The transfer affected Army Academy Class 10 members such as Col Montri Thipwathi, Athit's aide, who was transferred to deputy director of the Adjutant General's Department; Col Phichai Chinsot, commander of the 1st Anti-aircraft Artillery Battalion; and Col Pricha Rotchanasen, Gen Athit's intelligence officer. It is evident that Gen Chawalit's faction has tried to gain control of units which command real forces which in the past were used to stage coups that turned past Army commanders into de facto national leaders.

The administration of the Army plays a very important role in consolidating the power of the Army commander. He is surrounded by a considerable power base. His Army Academy Class 1 classmate Gen Sunthon has been made assistant Army commander and another classmate, Lt Gen Chaichana Tharichat, is now the 3d Army Region commander. Army Academy Class 5 members who are also pro-Chawalit are: Lt Gen Wimon Wongwanit, the current commander of the Special Warfare Unit, and Maj Gen San Siphen, now the commander of the 1st Army Division -- an important unit. There are two groups of Army Academy Class 8 members -- supporters of Athit's extension and those opposing it. Supporters such as Col Bandit Malaiarisun was transferred from commander of the 1st Infantry Regiment to deputy commander of the 1st Division but Maj Gen Narudon Detpradiyut retained the Army secretary post. These officers will not be considered for commanders of field units, which will be given to those who belonged to the Special Warfare Unit formerly commanded by Gen Sunthon. Gen Sunthon's men now become commanders of the 1st and 2d Special Warfare Divisions and the commander of the 5th Division in the south.

It is evident that Gen Chawalit has strong support, with the 5th, 11th, and part of the 8th Army Academy classes serving as the power base. Assistant Army Commander Gen Phichit has some power due to his good relationship with officers when he was the commander of the 1st Army Region, but officers who control real power are the commanders of regiments and battalions.

Regarding Assistant Army Commander Gen Sunthon, he still has considerable support because he came from the Special Warfare Unit in Lop Buri, or the so-called 5th Army Region. All of this makes Gen Chawalit's power base formidable.

A look at the November reshuffle affecting colonels will show that most of Gen Chawalit's an Sunthon's supporters have controlled many regiments. Part of Army Academy Class 8 and Class 12 of Maj Gen Surayut Chulanon support Gen Sunthon. Col Somphop Attanan, a Class 14 member, has the trust of Class 5 and was thus given command of the 1st Infantry Regiment, while Col Thitiphong Chenuwat, a Class 11 member who was transferred to the Army Preparatory School during Gen Athit's tenure, has returned to the 11th Infantry Regiment, also an important Army power base.

Will Gen Sunthon Inherit the Army Commander Post? [subhead]

The balance of power picture will change in 1987 due to the retirement of three senior military officers -- the supreme commander, the military chief of staff, and the deputy Army commander. A new supreme commander reportedly will not be appointed but joint chiefs of staff of the Supreme Command will be established. At that time the current military chief of staff will retire and the trend is that Gen Wanchai Ruangtrakun will be his replacement.

If Gen Wanchai becomes the military chief of staff, there are two candidates for the post of Army chief of staff -- Lt Gen Suchinda Khraprayun, an Army Academy Class 5 member, and Lt Gen Charuai Wongsayan. Suchinda appears to have a better chance for the post. And Gen Phichit is likely to become deputy Army commander if not given a post in the Defense Ministry when Gen Sunthon is promoted to Army commander.

The deputy Army commander post is very important because it will indicate who will become the next Army commander after Gen Chawalit retires himself from the Army commander post. The current two assistant Army commanders are likely to vie for the deputy commander post.

Gen Sunthon appears to have a stronger power base than Gen Phichit. Seniority-wise, Gen Phichit became major general as commander of the 1st Army Division on 1 April 1981, while Gen Sunthon was given that rank in October of the same year as director of the Army Aviation Department. They were promoted to lieutenant general and general at the same time. Many quarters, however, feel that Gen Sunthon has a stronger chance for promotion to deputy Army commander because he is an Army Academy Class 1 graduate and has a close relationship with Gen Chawalit. Chawalit would travel to Lop Buri every weekend for consultations when Sunthon was the commander of the Special Warfare Center. For this reason, indications are that when Gen Phisit, current deputy Army commander, retires, Gen Sunthon will be promoted to the post. Gen Sunthon will then move up to Army commander to serve as a power base for Chawalit when the latter turns to politics.

Forging Unity in the Army Is Chawalit's Task Before He Turns to Politics [subhead]

The image of Gen Chawalit is that he is the military officer who is closely attached to Policy 66/23 and he was instrumental in pushing for its application right from the beginning, as well as for implementation of Policies 5/24, 65/25, and 47/29. Chawalit's perception of the communist problem and the country's problems has never changed and he always tries to push for the full objectives of Policy 66/23. His ascent to Army commander is merely a stepping stone for his advancement to other posts -- political -- which will allow him to achieve the full objectives of Policy 66/23.

Regarding the Army, after becoming Army commander he laid down four policies. First, to forge unity in the Army in the 2 years that he remains in the post. During these 2 years, he will try to create a new image of himself among military officers and to gain their acceptance to facilitate his future advancement to higher positions. Army unity has been a major problem and a problem which has damaged the image of Policy 66/23 in the context that the rightist philosophy has become an obstacle to Gen Chawalit achieving the objectives of his work. An indication of this problem is the regular criticism that attempts to expand on the results of the success of Policy 66/23 against the communists should not be opposed by other sectors of the bureaucracy.

Gen Chawalit's concrete actions aimed at forging unity in the Army in the past 6-7 months include the reinstatement of Young Turk Army officers -- Army Academy Class 7 members, the invitation to Field Marshals Thanom Kittikhachon and Praphat Charusathian to become Army advisers, and his praise of outgoing senior officer Gen Chuthai commanding him for his contributions to the Army. Chawalit also tried to show his reverence and respect for Gen Athit when the latter returned from Nakhon Si Thammarat a day after he was relieved of the Army commander post. Gen Athit has also been regularly invited by Gen Chawalit to chair many functions.

Another effort of Gen Chawalit to forge Army unity includes his support for amnesty for the 9 September coupists. Many people will recall that before the formation of the government was under way Col Prachak Sawangchit, a Bangkok MP, campaigned openly against Gen Prem becoming prime minister. He even threatened to call a public gathering at Sanam Luang to support his cause. Gen Chawalit, however, summoned Col Prachak for a meeting, extensively reported by the press, and reportedly offered to push for amnesty for the coupists if Prachak would call off his opposition to Gen Prem. Col Prachak is now preparing an amnesty bill to be submitted to parliament.

But Gen Chawalit has faced obstacles from rightist elements in his support for an amnesty. This is evident in the attempt of the Police Special Branch to arrest Wing Commander Manat Rupkhachon, a 9 September coupist, which stalled the amnesty campaign temporarily.

Another policy of Gen Chawalit is democratizing the Army. Although this policy has not shown concrete results, it appears that the reshuffle of officers now is considered by a committee system and promotions now usually follow an established chain of command system, e.g. deputy region commander is promoted to commander -- there are no more cross-command promotions.

Improved efficiency of personnel is also a policy of Gen Chawalit. This involves a reduction in personnel as well as the improvement of combat efficiency of combat forces. By 1988 the Army is expected to be able to cut expenses relating to personnel by as much as 4 billion baht; the saved amount will go to weapons development. Gen Chawalit feels that the security situation -- border problem, Vietnamese threat, or Thai domestic picture -- will be conducive to improvement of efficiency of combat forces and the use of the national budget.

Gen Chawalit's policy of austerity has shown no concrete results.

As far as the direction of Gen Chawalit's efforts to forge unity in the Army and his personnel reduction policy is concerned, it should be noted that it is quite clear that Gen Chawalit has definite political goals. In the past few years he has played roles in several political parties. For example, it is obvious that Gen Chawalit was instrumental in pushing Lt Gen Chatchai up to the Chat Thai Party leader post. Maj Gen Mongkhon Amphonphisit's current role is coordination of government coalition parties; Gen Chawalit performed this role before it was taken over by Mongkhon. Gen Chawalit has always cultivated contacts with various political parties. This observation may not be complete. But it is possible that his current policy of reducing Army personnel arises from his awareness of the serious national economic problem. If he becomes prime minister he would not want the Army to pose difficulties for the national budget or the national economy.

Gen Chawalit's policy of reducing the size of the Army and promoting the role and overall size of paramilitary forces such as the Ranger Volunteers Corps has the benefit of reducing the budget. But one must be aware of the fact that Gen Chawalit directly controls the combat force of the Ranger Volunteers because he initiated and established the Ranger Volunteers Corps. Although he does not directly command it now, the commanders worked with him before. For this reason, expansion of the corps after Chawalit's departure from the Army will pose no problem for him at all; there is no cause to doubt that their loyalty will shift in the future.

Check and Balance System in the Army Is Still Necessary [Subhead]

On the question of unity in the Army, various classes of the Army Academy are often viewed as playing a major role in this question. This class system may not be applied as it once was. For example, Army Academy Class 8 once was considered to have a very close relationship with Gen Phichit, particularly when members of this class in the colonel rank held regiment commander posts. Class 8 leaders such as Col Bandit Malaiarisun and Maj Gen Narudon Detpradiyut had a high profile. But during the 9 September coup attempt the coup suppression headquarters was set up at the 11th Infantry Regiment by Gen Chawalit, and the commander of the regiment was Col Amphon Sawetserani, also a Class 8 member. Since Gen Chawalit became Army commander, some Class 8 members have been given important posts, such as Col Amphon, now the chief of staff of the 1st Division. This indicates that the class system has lost its weight. Members of the same class form separate groups possibly due to their closeness to their respective commanders, who happen to rival each other. For this reason, members of the same class could be on opposite sides. For example, Class 17 member Col Phiraphong Sapphakphisut was a staff officer for Gen Athit, while another Class 17 member, Col Phairot, was Gen Prem's aide. While extension of Gen Athit's retirement was still pending, some Class 5 members went to a party at Athit's residence. Maj Gen Prasoet Sarasit, director of the Army Personnel Department, claimed they were there to show support for Athit's extension. Meanwhile important Class 5 members, such as Maj Gen Itsaraphong and Suchinda reportedly visited Prem's residence regularly. In the latest reshuffle Maj Gen Prasoet was transferred to the Supreme Command.

On the question of whether Gen Chawalit really has supreme power in the Army: As mentioned earlier, the situation was fluid while awaiting a final decision about Athit's extension. This situation was the result of many Army officers refusing to commit their loyalty. This situation did not occur in an older era of the Army. The Army during Field Marshal Thanon Kittikhachon's tenure could be regarded as the last era that the Army commander commanded complete loyalty of his men. Since then factionalism has pervaded the Army. A major cause of this is that pressure groups outside the Army would, whenever possible, meddle in the Army reshuffles to effect checks and balances to prevent the Army from being used to dictate politics as was the case in the past. Prime Minister Gen Prem came from the Army and enjoys great support from the Army, but it is evident that he attaches importance to the check and balance system in every reshuffle. Gen Phichit may appear to have a close relationship with Gen Athit but his relationship with Gen Prem is also good. In short, pressure groups outside the Army and powerful figures in the government try to effect a check and balance system in the Army to maintain factionalism in the Army and prevent it from attaining the power to pressure the government.

As Army commander, Gen Chawalit will have to tackle this problem; he could not do it in the 5-6 months after he came to power. At the same time, he publicly said that he would be in the commander post only until October 1988; while many people believe that he will then enter politics. Therefore, it is likely that he will also recognize the importance of the check and balance system in the Army and he probably will adopt the system. In any event, Gen Chawalit has begun to achieve increased unity in the Army. Army unity in this era happens to be unity which serves every group, not unity of the type that shows completely loyalty to the commander as was the case in the past.

Implementation of Policy 66/23 -- the Path Strewn With Thorns [subhead]

Gen Chawalit was instrumental in pushing for implementation of Policy 66/23 and must carry on until the policy achieves its full objectives. The defeat of the communists basically caused them to be unable to revive. The next task is the political offensive, which amounts to solving political problems by using a certain power. Gen Chawalit's perception is that this power should be absolute and just. This could be linked to his entering politics in the future. The implementation of Policy 66/23 after Gen Chawalit became Army commander has given a negative image to the policy in several incidents.

The alarm about resurgence of the Communist Party of Thailand has caused the distrust of democratic elements and political parties toward Chawalit. It appears that the reasons for Gen Chawalit's action were the political situation at the time -- the refusal of Commerce Minister Surat to resign and the approaching annual budget deliberation in parliament.

Another issue which tarnished Policy 66/23 is the Army's secret fund. The Army's efforts to have parliament pass the secret fund projected its stubbornness in that it sought to show its superiority over the legislative and the political institutions. Although Gen Chawalit's political image suffered, his image among soldiers has been enhanced; they feel that he protected the Army's prestige. In any event, it is felt that in 1987 and following years Order No 66/23 will be used more often to justify the Army's and Chawalit's political actions as opportunities allow.

The observation of many people is that Policy 66/23 has become Chawalit's trademark, regardless of its pluses or flaws. The important thing is that Policy 66/23 has been a plus, because Chawalit has the power to lead people to see it as a plus. There is no guarantee that its flaws would surface if Chawalit should lose power. It remains to be seen if other other institutions will agree with the policy if Prem and Chawalit are gone from the scene. It is generally accepted among military officers and civil servants that subjugating military operations to political operations will bring the defeat of the communists. However, success of the stage in which his result is expanded depends on the strategy of policymakers. Chawalit's idea is to advance to what he calls strategic offensive at the national level, which means to solve problems with he himself playing a political role.

However, civil servants seem to disagree. In particular, local civil servants have disputed with soldiers when the latter play a role in everything, including national development. This could cause a change in Policy 66/23 when its supporters lose power.

A reflection of some institutions' disagreement with Policy 66/23 is the question of why the Anticommunist Act, which has been in existence for some time, conflicts with Policy 66/23 when the latter's status is not even a law. In 1981-2, when Chawalit was assistant Army chief of staff, he tried to propose abrogation of the Anticommunist Act, but there was no information about what he proposed as a replacement. Some jurists recommended that Policy 66/23 should be made into a new anticomunist act. It is not known if Chawalit ever tried to amend the act so it will follow the line of Policy 66/23. His attempt to amend the act did not succeed because it was shelved at the National Security Council which was then led by Squadron Leader Prasong Sunsiri, who strongly opposed the attempt. As long as the status of Policy 66/23 is merely an order, there is no guarantee for its continued acceptance and continued existence.

RADIO REFUTES THAI PAPER'S REPORT ON LAO DEATHS

BK071506 Hanoi Domestic Service in Vietnamese 1430 GMT 7 Jan 87

[Text] The 31 December 1986 issue of Thai DAILY NEWS reported that the Vietnamese troops in Laos massacred 43 Lao people of the Mong ethnic group on the Mekong River bank of Mai hamlet, Paksane District, Bolikhamsai Province.

This is sheer slanderous fabrication aimed at smearing the beautiful image of the volunteer Vietnamese troops in Laos, dividing the Lao people from the Vietnamese Army combatants, and sabotaging the militant solidarity and comprehensive cooperation between Vietnam and Laos.

The special Vietnamese-Lao relationship is based on the Treaty of Friendship between the two countries to help each other defend and build socialism in each respective country, and prevent threats from outside. KPL has clearly pointed out that in implementing the treaty, the Vietnam People's Army troops have never committed any action hurting the Lao people. They have truly respected the independence, sovereignty and territorial integrity of Laos.

However, the Bangkok authorities have fabricated the story about the massacre of Lao people by Vietnamese troops. This is only a dirty political trick to undermine Vietnamese-Lao solidarity and cooperation. By such odious slander, the Bangkok authorities have exposed their fear and anger in the face of the militant solidarity and close cooperation between Vietnam and Laos which they have not been able to sabotage thus far.

FURTHER ON HANOI MEETING MARKING PRK NATIONAL DAY

BK071325 Hanoi Domestic Service in Vietnamese 2300 GMT 6 Jan 87

[Report on 6 January Hanoi meeting to mark the PRK's 8th National Day -- portions recorded]

[Summary] "On the evening of 6 January, the VFF Central Committee, the Vietnam Committee for Solidarity and Friendship With Other Peoples, the Vietnam-Cambodia Friendship Association, and the party committee, the people's committee, and the VFF committee of Hanoi municipality held a solemn meeting to mark the 8th PRK National Day." The people of all strata in Hanoi and the personnel of the Cambodian Embassy in Hanoi attended the meeting.

"The meeting presidium includes Comrades Nguyen Thanh Binh, Political Bureau member and Hanoi party committee secretary; Nguyen Van Tien, general secretary of the VFF Central Committee; Tran Vy, chairman of Hanoi People's Committee; Hoang Minh Giam, chairman of the Vietnam Committee for Solidarity and Friendship With Other Peoples; Phan Dinh Vinh, deputy director of the Central Committee Department of Foreign Relations and vice chairman of the Vietnam-Cambodia Friendship Association" and the representatives of various mass organizations, state agencies, and sectors at the central level. Cambodian Ambassador Tep Henn and Lao Ambassador Khampheun Tounalom were also on the presidium.

Following the opening speech of Comrade Nguyen Thanh Binh, Comrade Tran Vy delivered a speech.

[Begin Tran Vy recording] Today, we solemnly commemorate the 8th PRK National Day to share the boundless joy with fraternal Cambodian people.

On the occasion of this glorious historic day we warmly welcome the marvelous victories scored by the Cambodian people over the past 8 years in firmly defending their country and accelerating the process of national revival, construction, and development. [applause] On the occasion of this solemn festival, our Vietnamese people sincerely convey to the Cambodian people the cordial fraternal sentiments and the warmest greetings. [applause] [End recording]

Tran Vy then pointed out the great achievements of the Cambodian revolution over the past 8 years, and expressed the Vietnamese people's gratitude to Cambodia for its great and valuable support. Tran Vy concluded:

[Begin Tran Vy recording] Dear comrades and friends, solidarity and unity among the Cambodian, Lao, and Vietnamese peoples and the comprehensive cooperation among the three countries and with the Soviet Union and other fraternal socialist countries have led to great victories and created a new situation very favorable to the revolution in the three countries. The special combative alliance among Vietnam, Cambodia, and Laos is firmer and stronger than ever before and constitutes an extremely important factor in the struggle for peace, stability, and cooperation in Southeast Asia and the world. On this joyful day, we once again sincerely wish that the fraternal Cambodian people successfully implement the Fifth KPRP Congress resolution, firmly defend their country, and successfully build a peaceful, independent, and democratic Cambodia advancing step by step to socialism. [applause] [End recording]

Then, Cambodian Ambassador Tep Henn delivered a speech.

[Begin Tep Henn recording in Cambodian fading into Vietnamese translation] Today, we are very elated at cooperating with our Vietnamese friends to organize cordially the ceremony to commemorate the 8th historic day of 7 January 1979 in this beautiful country of our beloved and respect leader President Ho Chi Minh. That was the day when our people -- receiving the sincere, timely, and effective support of the party, government, people, and troops of Vietnam -- rose up to topple the genocidal Pol Pot-Ieng Sary regime and establish the worker-peasant state that is the PRK. That was the day when the people gained mastery over the country and their own fate and entered a new life together with the community of socialist countries and progressive mankind. On this solemn day we should like to convey New Year wishes for good health and glorious successes to the comrade leaders of the Vietnamese party and state and to the entire Vietnamese people and Army, the most cordial friends of the Cambodian people. [applause] [End recording]

Tep Henn then reviewed the all-around achievements of the Cambodian people in 1986.

[Begin Tep Henn recording] The founding of the PRK, the national revival, and the happiness enjoyed by the Cambodian people have been a great victory not only of the Cambodian people revolution but also of the Indochinese revolution, of socialism in Southeast Asia and the world, and of all mankind of good conscience. These great victories cannot be separated from the support and assistance of the party, government, Army, and fraternal peoples of Vietnam and Laos, of the Soviet Union and other socialist countries, of friends near and far, and of international organizations and mankind as whole.

On this solemn occasion, on behalf of the party, government, and people of Cambodia, we would like to express our sincere and most profound gratitude to the party, government, Army, and fraternal people of Vietnam for their great, timely, and effective support to the cause of our national liberation defense and construction; to the party, government, and fraternal people of Laos for wholeheartedly assisting the Cambodian revolution; to the party, government, and people of the Soviet Union for their sincere and effective assistance both materially and spiritually; to the parties, governments, and peoples of socialist countries and India; and to all international organizations and friends near and far in the world, for their positive assistance to the Cambodian revolution. I respectfully bow my head before the souls of the Vietnamese volunteer combatants who have heroically sacrificed for the Cambodian revolutionary cause and for lofty international duty. I would like to convey my most attentive regards and warmest sympathy to all the families of Vietnamese sick and wounded soldiers and fallen heroes. May the Vietnamese communists and people achieve glorious success in implementing the Sixth CPV Congress resolution! [applause] [end recording]

The ceremony marking the 8th PRK National day concluded amidst an atmosphere of militant solidarity, friendship, and comprehensive cooperation among the three countries of Vietnam, Cambodia, and Laos.

NGUYEN VAN LINH INTERVIEWED BY BULGARIAN TV

AU041548 Sofia BTA in English 1429 GMT 4 Jan 87

[Report on interview given by Nguyen Van Linh, general secretary of the Central Committee of the Communist Party of Vietnam, to Bulgarian Television -- date and place not given]

[Text] Sofia, January 4 (BTA) -- "The Sixth Congress of the Communist Party of Vietnam emphasized two strategic tasks" the active construction of socialism and the defense of our socialist motherland," said Mr Nguyen Van Linh, secretary general of the CC of the Vietnamese Communist Party, in an interview for Bulgarian Television. He said that the most important task to be fulfilled in the near future is the stabilization of the socio-economic situation and the creation of the necessary conditions for the industrialization of Vietnam.

The Vietnamese politician dwelled on his country's policy in respect to South-East Asia. "We believe," he said, "that peace, independence and the development of Vietnam and the other two socialist countries in Indochina, Laos, and Kampuchea, is linked with peace in the region in general. Our only desire is to live in peace with the other South-Eastern Asian countries."

Mr Linh noted that there are favorable conditions to resolve the problems in this part of the world but added that dialogue must be based on equality and mutual respect. Vietnam and the other nations in Indochina are ready to hold negotiations on the problems in this part of the world in order to turn it into a zone of peace, cooperation. "We are looking forward to a constructive reply to our proposals," said he.

VAN TIEN DUNG VISITS FRONTLINE UNITS

BK070916 Hanoi NHAN DAN in Vietnamese 23 Dec 86 pp 1, 4

[VNA report]

[Text] On the occasion of the VPA'S 42d founding anniversary, Senior General Van Tien Dung, minister of national defense, visited and inspected various air defense and artillery units on combat duty on frontline No 1.

Accompanying the senior general were Comrade Colonel General Phu The Tai, deputy chief of the General Staff, and the comrade commanders of the Air Defense Service and Artillery Corps.

The comrade defense minister toured the battlegrounds of the 53d Battalion, the H-67 Missile Unit, and the heroic B-65 group in a historical area of the country where radar and antiaircraft guns have been positioned to "detect and destroy the enemies whenever they come," in accordance with the tradition of these units. He also visited a unit of the mighty B-90 Artillery Group which has up-to-date equipment and is currently defending the area of the former battlefield on which enemy troops were repeatedly encircled and defeated by our ancestors.

After examining the living conditions and cultural activities of the unit, Senior General Van Tien Dung cordially chatted with its cadres and combatants right on the battleground. He said: This year, our Army marks its founding anniversary shortly after the sixth national party congress has concluded with fine success. This further inspires the confidence of our entire Army in the leadership of our glorious party. Although our Army has acquired increasingly modern equipment and has made headway, we must always try to retain firmly the title of "Uncle Ho's soldiers." We are determined to remain always an army of the people, by the people, and for the people. Having acquired new equipment, our cadres and combatants must strive to undergo training to mature quickly in all political and military aspects so that they can develop to the highest degree all available weapons and equipment.

Comrade Van Tien Dung added: Faced with the unchanging nature and schemes of the direct, dangerous enemy and the fundamental and long-term enemy of our revolution, all units must heighten revolutionary vigilance, pay attention to enhancing their fighting will and ability, protect and preserve satisfactorily their weapons and equipment, care for the material and spiritual life of their troops, enforce scrupulously military discipline and state law, and ensure internal unity and Army-people unity.

The cadres and combatants of these units pledged to develop the revolutionary nature and glorious tradition of the Army and of their military service and armed branch and to fulfill resolutely and outstandingly all assignments.

NHAN DAN EDITORIAL MARKS VPA ANNIVERSARY

BK061435 Hanoi NHAN DAN in Vietnamese 22 Dec 86 pp 1, 4

[Editorial: "Develop the Revolutionary Traditions and Character of the Heroic Vietnamese People's Army"]

[Text] Our Army is a heroic army of the heroic Vietnamese nation. The history of our Army is glorious and brilliant. Using only sticks and rifles, the Army together with the people, defeated the French and Japanese aggressors and led the August Revolution to victory. At its 10th anniversary, the Army together with the entire people, scored the Dien Bien Phu victory, defeating the French colonialists' war of aggression and eliminating U.S. intervention. During its 31st year of existence, the Army and the people scored a historic victory, liberating South Vietnam, unifying the fatherland, and leading the whole country toward socialism. Over the past 11 years, our people's armed forces have scored additional great victories in the struggle for national defense and in carrying out international obligations, thereby contributing positively to building socialism in our beloved fatherland.

Our Army's feat of arms and achievements -- the great pride of our nation -- stemmed from the leadership and guidance of our party and esteemed President Ho Chi Minh, master of the Vietnamese revolution, who established and forged our party and who is the beloved father of our people's armed forces.

In commemoration of the Vietnamese People's Army Day (22 December), our people convey to the people's armed forces -- especially officers and combatants who are bravely engaging in combat and combat readiness in the northern border areas and on remote islands, and those who are performing international obligations elsewhere -- our warmest greetings and most profound sentiments.

We also convey our warmest thoughts and sincerest gratitude to wounded and sick soldiers and the families of fallen heroes who have sacrificed themselves for the cause of national independence and freedom, and for building and defending the socialist Vietnamese fatherland.

During the past 42 years of building, combating, and struggling to reach its maturity, our Army has undergone various difficult, arduous, and complex conditions. This shows that our Army's fine character and revolutionary tradition have been consistently maintained and developed. With its attitude of facting facts, our party and its sixth congress have highly appraised the great victories scored by our Army in combat and construction during the past years. The party also pointed out weaknesses to be overcome in the days ahead.

Our Army has maintained the tradition of unity and closing its ranks around the party Central Committee. It has absolutely acted in accordance with the party leadership, strengthened the unity from within and unity between the people and Army and between the armed forces of our country. The revolutionary situation and tasks set forth by the Sixth CPV Congress require our Army to firmly maintain this tradition.

Our Army is dutybound to carry out the heavy tasks of firmly maintaining and developing the revolutionary character and the fine tradition of the "Uncle Ho's Army." The Army must win the confidence and love of the people. Officers and combatants must strengthen their unity. Leading officers and commanders must extend their love to combatants in a revolutionary and comrade-in-arms manner.

The Sixth CPV Congress has just concluded with splendid success. It has urged our entire party, people, and the armed forces to strengthen their unity and strive to fully exploit their impetus and strength to continue carrying out the two strategic tasks of building and defending the socialist fatherland, while contributing positively to the common struggle of the world people for peace, national independence, democracy, and socialism.

The Sixth CPV Congress resolution has pointed out: "We must develop the strength of the proletariat dictatorship system; firmly combine the economy with national defense and vice versa; accelerate the building of an all people-national defense; strengthen the people's armed forces; improve logistics tasks; provide military training for all people; build and standardize a modern people's army; strengthen the militia, self-defense, and reserve forces; build the people's war position; strictly observe the law on military service; and implement policies on rear services. We must also strengthen the protection of our sovereignty and firmly defend our border areas, airspace, territorial waters, and islands; strengthen and consolidate the border defense force; improve the Army's spiritual and material life; and strengthen the fine relations between the Army and the people."

The strengthening of the country's defense capabilities requires that the people's armed forces be built in accordance with the viewpoint of people's war and all-people national defense and calls for the implementation of the slogans: "Let the entire people build the country and defend the fatherland"; and "Let the entire army defend the fatherland and build the country." The strength of national defense is the strength of the entire people with the people's armed forces, composed of three categories of troops, including the increasingly standardized and modern People's Army, serving as the mainstay.

We must devote ourselves to developing and fostering the people's strength and building the rear area, a constant factor that decides victory, abundant source of manpower, material wealth, and spiritual strength for the frontline.

In the process of implementing the resolution of the sixth party congress with regard to consolidating national defense, building a powerful people's armed forces, and developing Vietnamese revolutionary military science and art, a significant point is that we must attach utmost importance to building pure, firm, and strong basic party organizations to serve as activists in the efforts to increase the fighting strength of each unit. Wherever there are pure, firm, and strong basic party organizations, it is possible to bring into play the principle of democratic centralism and to provide strong support for each Army unit to strive to fulfill the objectives of the determined-to-win emulation movement launched by the armed forces. Only firm and strong basic party organizations can create proper conditions for improving the capabilities of party cadres and members in all fields, effecting a drastic change in cultivating and fostering their revolutionary qualities, and firmly preserving and bringing into play the title of communist party member, "soldier of Uncle Ho," and cadre of the VPA. The process of implementing the resolution of the party congress requires that the quality of commanders -- including their standards, their managerial capabilities, their sense of organization and discipline, and their sense of responsibility toward soldiers -- at all echelons, especially in the grass-roots units -- be further improved. Commanders at all levels, together with the party organizations, must strengthen their political and ideological education work by means of lively training methods suitable for each kind of basic unit. This educational effort is aimed at enabling cadres, combatants, and defense workers and employees to gain a thorough understanding of the resolution of the sixth party congress, to clearly perceive the new situation and tasks of the revolution and the duties of the armed forces, and to realize more profoundly the enemies' character and schemes against Vietnam and the other Indochinese countries.

Our Army has always been protected and looked after in all respects by the people with the care of a loving mother. Now more than ever before, the further strengthening of Army-people solidarity and unity of will will create new strength for us to overcome all difficulties and to build and firmly defend the socialist fatherland. This is also an important condition for stirring up a movement for revolutionary actions in the entire Army, thereby contributing to successfully implementing the resolution of the sixth party congress.

ARMY JOURNAL STRESSES IMPORTANCE OF RENOVATION

BK061702 Hanoi Domestic Service in Vietnamese 2330 GMT 28 Dec 86

[TAP CHI QUAN DOI NHAN DAN January 1987 editorial: "Renovation, an Urgent Requirement, a Matter of Vital Significance"]

[Text] The sixth congress of our party has concluded successfully. It marked a new step on the political maturity of our party and clearly reflected the spirit of renovation, solidarity, and singlemindedness of all our party members, people, and troops.

The congress resolution clearly specifies: The congress marked an important step in improving the process of inheriting and renovating party leadership over the political, ideological, and organizational tasks. It further strengthens solidarity and unity within the party and the attachment between the party and the people.

Preparations for the congress as well as its fine results show the determination of the Vietnamese Communist Party and people to surge forward and overcome difficulties, mistakes, and shortcomings in order to stabilize the situation and gradually advance Vietnam to be on an equal footing with the new era.

The party Central Committee's Political Report to the congress said: To our country, renovation is currently an urgent requirement of the revolution and a matter of vital significance. The party's various documents constitute the initial step in renovating the party's thinking. They reflect the spirit of looking squarely at and correctly assessing reality, speaking the truth clearly, and viewing accurately achievements for development purpose. At the same time, they emphatically point out mistakes and shortcomings, in order to find out the causes of these mistakes and shortcomings and ways to overcome them. On this basis, the tasks and struggle objectives are set for the time ahead in the socioeconomic, political, national defense, security, and foreign affairs domains.

These documents constitute the continued effort to materialize the general and economic lines set by the fourth and fifth party congresses which are manifested by the correct economic viewpoints, namely the determination of economic structure, revision of guidance for investment, transformation of production relations, and renovation of management mechanism. These generally reflect the objective laws of the course of socialist revolution in our country, in the period of transition.

The party documents criticize intellectualism; simplistic, backward, and outdated viewpoints on socialism; and other biased views on economic laws which still prevail in the socialist society of our country -- a country advancing from small-scale production directly to large-scale socialist production and bypassing the stage of capitalist development.

Those documents are positive policies and measures to promote the laboring people's collective mastery, enhance the managerial effectiveness of the socialist state, correctly settle the relationship between party leadership, the people's mastery, and state management; mobilize all the potentials of the people and country; conduct simultaneously the three revolutions; and fulfill victoriously the two strategic tasks of socialist construction and national defense.

The party criticizes the manifestations of bureaucratism and separation from the people, negativism in society, failure to respect the people's right to collective mastery, and violations of state law and the disciplines of the new society.

Those documents are the clear-sighted foreign policies and lines of our party and state which combine the national strength with the strength of the era in the present revolutionary stage of struggle to firmly maintain peace in Indochina; contribute positively to firmly maintain peace in Southeast Asia and the world; oppose imperialist and expansionist forces; strengthen the special relations among Vietnam, Laos, and Cambodia; consolidate friendship, solidarity, and comprehensive cooperation with the Soviet Union and other countries in the socialist community; expand the relations of friendship with other countries in the world; secure favorable international conditions for socialist construction and national defense; and, at the same time, make positive contributions to the common struggle of the world people for peace, national independence, democracy and socialism.

The spirit of renovation is apparent particularly in the party development task aimed at enhancing party leadership and militancy. The party must be renovated in many aspects. It must renovate its thinking -- first of all, its economic thinking -- its organization, its contingent of cadres, and its method of leadership and work.

The party considers renovating thinking and enhancing the revolutionary quality of cadres, party members, and the people as the main ideological task. It is imperative to renovate thinking in all party and state activities. If we want to renovate thinking, we must firmly grasp the revolutionary and scientific character of Marxism-Leninism; inherit the valuable legacy of revolutionary ideas and theories of President Ho Chi Minh, Comrade Le Duan and other comrade leaders; and receive the rich and new theoretical achievements and experiences of fraternal parties and the scientific knowledge of the era. We must accelerate the theoretical task with a view to providing a scientific scope for the renovation of thinking, generally and systematically review our people's undertaking of socialist construction and national defense, draw out correct conclusions, and promptly overcome erroneous and outdated viewpoints.

We must adhere to realities, be sensitive to new things emerging from the creative labor and combat of the masses, and support and foster new things so that they constantly develop. We must create a democratic atmosphere in society among the party, scientific, and theoretical activities; emphasize the task of information; and improve the knowledge of cadres, party members, and the people.

Along with renovating thinking, we must renovate the contingent of cadres; perfect the contingent of leading and management cadres; renovate the methods of work; restore and firmly maintain the organizational and operation principles within the party such as democratic centralism, collective leadership, individual responsibility, criticism and self-criticism; enhance the quality of party members; struggle against negativism; intensify the militancy of basic party organizations; and strengthen solidarity and unity within the party.

When speaking of renovation, we should not misunderstand that every task and every method of work in the past must be renovated. The Political Report at the congress specified: The renovation of thinking does not mean the rejection of theoretical achievements, developmental laws of socialist construction, and correctly established lines. On the contrary, it primarily means to supplement and develop these achievements.

The People's Army is an organ in the unified body of the entire people which reflects the economic, political, and social conditions of the country. The army's party organization is a component of the entire party. Cadres, party members, and combatants, in the People's Army and other armed forces should thoroughly understand the spirit of renovation of the entire party, people, and country. We are responsible for contributing to such renovation.

Each of us, from leaders to simple party members -- no matter what field we are in -- should reexamine our knowledge, promptly receive new viewpoints, and resolutely do away with erroneous views.

Defending the country, building an all-people national defense, developing the People's Armed Forces, and conducting the people's warfare to defend the country all, on the one hand, depend on the economic, political, and social conditions of the country, and on the other, follow special laws.

We should firmly grasp both economic and military laws and apply these two laws to vigorously accelerating the development of the army and the consolidation of national defense.

Our party is well experienced in leading the fight. Our people and troops have been forged and trained in a long revolutionary war and have accumulated many valuable experiences. Although in the period of building and defending the socialist country many new problems have emerged and differed from those during the liberation war, our party has adopted correct and timely resolutions to build and consolidate national defense, protect the revolutionary gains, defend the country, fulfill international duties, and cope victoriously with all plots of aggression and expansion by the new enemy.

The party's correct military lines during the period of national construction and defense -- our party's thinking achievements in the recent past -- should be implemented perseveringly and made real as the Political Report to the congress stipulated. We must be creative in practical work and aim at achieving realistic results in developing good points and overcoming shortcomings; satisfactorily resolve the problems arising from the army's combat, productive labor, and construction task; and consolidate national defense for the immediate and distant future.

Renovation is the struggle between the old and the new, between conservatism and progress, and between backwardness and modernity. This is a long, complicated, and fierce struggle, since the intramural struggle to tell right from wrong and to distinguish the new from the old is not an easy one. Meanwhile, the enemy does not let us live in peace. Consequently, there must be close, strong, bold, and firm leadership. Developing the revolutionary character and glorious traditions of Uncle Ho's troops, the Vietnamese People's Army vows to unite closely around the party Central Committee, absolutely obey the party leadership, unify its mind and action, struggle strenuously, and help to implement successfully the historic sixth party congress resolution.

AFP: 'SWEEPING POWERS' GIVEN TO RETIRED LEADERS

BK071156 Hong Kong AFP in English 1118 GMT 7 Jan 87

[By Laurent Maillard]

[Text] Hanoi, Jan 7 (P) -- Vietnam's Politburo has bestowed sweeping powers on three "historic leaders" who officially relinquished their party posts last month, analysts said here Wednesday. The communist party newspaper NHAN DAN said Wednesday that the party Politburo had appointed Truong Chinh, Pham Van Dong and Le Duc Tho as advisers to the Politburo and the party Central Committee. They would "contribute their advice" to the Politburo and Central Committee on "strategic questions" concerning economic, social, political, military and diplomatic matters, the newspaper added. The three would also be able to intervene on "important questions" and not necessarily have to wait for their views to be solicited, it said. They would also be able "to get the authorisation of the Politburo to resolve certain concrete problems" and would be able to take part in meetings of the Politburo "when necessary," NHAN DAN said. They would also have access to all party documents.

The new attributions give the three powers almost as great as they had before relinquishing their position as the party's top three leaders at a party congress last month, while at the same time introducing constraints on the powers of new party General-Secretary Nguyen Van Linh, observers said. Truong Chinh and Pham Van Dong are even more powerful given that they still hold their respective state and government posts of president of the State Council and prime minister, observers note.

The Politburo decision seems once again to confirm the Vietnamese leadership's desire to avoid brutal changes and to soothe the "conservative" minority within the party, analysts say. The "conservatives" opposed the retirement of three leaders who are perceived to be the last remaining figures to guarantee party unity which suffered heavily in the past year. The conflict over who would succeed the "historic" leaders divided the party in 1986, reaching its height during preparations for the December congress. The desire to maintain a certain stability and avoid an irreparable split between "conservatives" and "reformists" who back the new general-secretary resulted in a congress decision to delay the expected replacement of Truong Chinh and Pham Van Dong in their state and government positions. Truong Chinh, 79, Pham Van Dong, 80 and Le Duc Tho, 76, officially left the Politburo and Central Committee because of "their age and their health." Several sources here agree, however, that the last-minute decision for their departure was mainly a result of strong pressure from the grass-roots level of the party favouring changes to put younger leaders at the country's helm.

NHAN DAN VIEWS OUTCOME OF PARTY CONGRESS

BK041630 Hanoi Domestic Service in Vietnamese 1100 GMT 24 Dec 86

[Unattributed 24 December NHAN DAN article: "The Outcome of the Sixth CPV Congress"]

[Text] After several days of enthusiastic and intensive work with a high sense of responsibility toward the entire party and people, our sixth party congress has accomplished its work in a fine manner. It closed on the afternoon of 18 December 1986.

In evaluating the outcome of the congress, we should base our evaluation on the activities of the congress and on the preparatory process of the congress.

First, in the preparatory process for the congress, some 2 million party members, through congresses at various levels from the grass roots up, and millions of the people of various strata, through the many meetings, correspondences, and mass media, discussed boisterously and contributed numerous opinions to the draft Political Report. They straightforwardly participated in party building with the spirit of facing the truth squarely evaluating the truth correctly, and speaking the truth.

Through their various meetings, many notables, intellectuals, veteran revolutionaries, retired cadres, workers, peasants, women, youths, and overseas Vietnamese nationals also contributed hundreds of thousands of opinions, including the many heartfelt petitions forwarded to the party congress. It can be said that the preparatory process of the sixth congress was a large-scale, good-quality democratic political drive.

Second, the self-criticism and criticism drive within the party along with the public criticism drive in the press against a number of negative phenomena had a good impact on party life and contributed to selecting capable cadres of high quality for various party committee echelons.

Third, the party congresses at various levels, from the grass roots up to provinces and cities, selected people to the leadership organs at various echelons and named dignified delegates to attend the national party congress.

Attending the congress were 1,129 delegates who represented the wisdom of the entire party. In addition, there were 100 invited guests who were members of the previous party Central Committees, veteran party members, representatives of families that did meritorious deeds with the revolution, and 35 delegations of various fraternal parties, revolutionary organizations, and friendly parties from all the continents; and 300 local and foreign newsmen, including nearly 100 foreign newsmen who daily sent their news and pictorial reports about the congress to millions of people the world over.

Some 79 speeches at the congress raised many legitimate and practical suggestions, thereby making the congress more diversified. There were also 35 speeches, delivered by the chief delegates of various fraternal parties, which were saturated with internationalist sentiments and close militant friendship toward our party and people.

I. Various important documents were unanimously approved:

All delegations to the congress praised the party Central Committee's Political Report presented by Comrade Truong Chinh for having been rewritten in a way more satisfactory than the draft Political Report discussed at the party congresses at various levels, saying that this version of the report reflected the wisdom of our entire party and people. While in discussion, the delegates contributed an additional 700 suggestions for supplementing, revising, or further clarifying certain specific points and further emphasizing a number of problems for the new party Central Committee to pay attention resolving.

The Presidium compiled an assessment of the discussion of the Political Report. The congress unanimously approved this assessment.

While discussing the report on the orientation and targets for socioeconomic development for the 5 years from 1986 to 1990, many delegations assessed that this report had further substantiated those major political problems already pointed out in the Political Report and especially the three important target programs about the production of grain and food, consumer goods, and export goods. Meanwhile, there were also opinions holding that the Economic Report was not up to its specific standard because it failed to come up with good policies and measures capable of ensuring the implementation of the plan and was not calculated and balanced adequately. There were also numerous opinions contributing to the Economic Report.

The Presidium of the congress held that the congress delegates assessment of the Economic Report was correct. The Presidium reached a conclusion of the decision of the Economic Report following the legitimate opinions of various delegates pointing out important problems to be corrected and supplemented.

The congress unanimously approved the main contents of the Economic Report regarding this as the basis for formulating the 1986-90 5-year plan.

The congress also supplemented a number of ideas and totally adopted the report on the amendment of some points of the CPV Statutes.

After discussing various documents, the Presidium sent every delegate the draft resolution of the congress. All delegates contributed almost 800 ideas to supplement a number of concrete points to amend some old provisions.

Basing on ideas of various delegates, the Presidium amended the draft resolution and presented it to the congress. The congress unanimously adopted the resolution.

Appraising the splendid success of the Sixth CPV Congress, Comrade General Secretary Nguyen Van Linh, in his closing speech, stressed: The congress unanimously adopted various viewpoints and positions stipulated in the Political Report and other documents of the party Central Committee presented at the congress. It has unanimously approved the very important resolution on main national policies aimed at improving the situation and leading the country to overcome difficulties and ordeals in order to firmly advance further.

Following are some important points:

Regarding the appraisal of the situation: The Political Report has appropriately and correctly evaluated victories and achievements, pointed out shortcomings and errors, and correctly assessed the result of each task. The Political Report pointed out: We have scored important achievements in building socialism. During the past 5 years the Vietnamese people and Armed Forces have scored additional great victories in their struggle for national defense, maintaining political security, and implementing international obligations. The Political Report decisively and concisely analyzed various shortcomings and errors. Regarding improvement of the economic structure, for instance, the Political Report clearly pointed out shortcomings during the 1976-80 5-year period: that while we were trying to accelerate industrialization, we had not acquired sufficient prerequisites for building heavy industry and large-scale projects. In capital construction for the 1981-85 period, we postponed some projects; but we basically failed to adjust rationally the work of these projects. Regarding socialist transformation, shortcomings are hastiness and negligence.

The remarkable point for the draft Political Report is that it was adopted by the sixth national party congress and that it affirmed the extent of various shortcomings, especially serious shortcomings on main positions and policies and in supervision and implementation of strategies. Moreover, the Political Report also clearly analyzed various key tendencies and thoughts leading to these errors, especially errors in implementing the economic policy which include such negative phenomena as subjectivism, voluntarism, simplicity in thinking and action, hastiness, tailing about subjective aspirations, and negligence. These are the manifestations of petit bourgeois, having both rightist and leftist tendencies.

The Political Report also clearly pointed out the root cause of these shortcomings and errors: that is, those in socioeconomic leadership were due to shortcomings in the party ideological, organizational, and cadre-related activities. Of all causes, this is the root cause.

Another new and very important point is that the Political Report has pointed out the following four lessons drawn from the realities of our revolution during the past year:

1. In all its activities, the party must firmly grasp the concept of taking the people as a base, while building and developing the people's right to collective mastery.
2. The party must proceed from realities to have respect for and act in accordance with the law of evolution.
3. The party must know how to integrate the strength of the nation and that of the era in new conditions.
4. Attention must be paid to building the party into a ruling party which can lead the people to carry out the socialist revolution.

Because of this assessment of the situation, the sixth party congress successfully resolved very important issues bearing on many fields.

This assessment, which reflected the party's serious sense of self-criticism and criticism, made an important contribution to strengthening the singlemindedness in the party, enabled the party to draw many lessons from its experiences, and marked the party's increasing maturity in leading the socialist revolution. We have had to pay no small price for our recent shortcomings and errors.

Correctly assessing the situation is a very important basis for setting forth new targets and working out new measures for the coming years. The sixth party congress achieved a high identity of views on various realistic targets and formulated a system of measures to fulfill these targets.

1. The economic policy: The economic policy: The sixth party congress decided to concentrate efforts on three major economic programs -- production of grain and foodstuffs, consumer goods, and export articles -- thereby giving prominence to the primary role of agriculture. The congress planned to devote to these programs about 60 percent of the total capital investment of the state and decided to suspend, postpone, or slow down the construction pace of about 20 major³ projects which account for approximately one-fourth of the value of the projects under international commitment. More than 100 projects under construction requiring more investment than planned have been taken off the list of projects to be financed by the state budget. These decisions reflected the policy of making major readjustments in the investment structure.

A new feature in socialist transformation and in consolidating socialist production relations is that the sixth party congress considered socialist transformation as a regular and continuous task to be carried out through appropriate steps and in appropriate forms throughout the transitional period. The congress stresses: We must ensure that the socialist economic sector gains the upper hand, plays the decisive role, and controls the other economic sectors. At the same time, we must recognize the existence of the private capitalist economic sector and the small-scale production economic sector; utilize the positive capabilities of the small-scale goods-production economic sector while motivating and incorporating individual businessmen and laborers into collective production organizations; organize, transform, and utilize small traders; make use of people engaged in private capitalist economic activities in some branches and trades in conjunction with transforming them step by step by means of many forms of state capitalist organizations; and abolish private capitalist trade.

Concerning the management mechanism, we must resolutely eliminate the mechanism of bureaucratic centralism and state subsidies and set up and shape a uniform planning mechanism according to the method of socialist economic accounting and business in keeping with the principle of democratic centralism.

The new mechanism uses planning as the mainstay and makes correct use of the relations between goods and money. It is worth noting that to enable planning to serve as the mainstay, we must know how to use the relations between goods and money correctly.

2. The social policies adopted by the sixth party congress encompass all aspects of man's life: working and living conditions; education, cultural, and public health activities; and family, class, and national relations.

The congress stressed the unity between the economic and social policies and considered the social targets as the purposes of economic activities and also an important factor in the development of production. The five points of the social policy aimed at resolving the fundamental and pressing problems are consistent with the real conditions in our country at the initial stage of the transitional period.

3. Concerning foreign policy, including foreign trade: The sixth party congress stood for the continued implementation of the correct foreign policy adopted by the party in the past. The important thing is that our foreign policy must reflect the lesson we have learned about combining the strength of our nation and of our epoch. We must broaden international relations in order to serve the cause of socialist construction while fulfilling our international duty.

4. Concerning the general mechanism, which other countries call the political system: This is precisely the mechanism that governs all activities of our society. The sixth party congress clearly defined the mechanism of the party assuming leadership, the people exerting mastery, and the state administering management.

This issue contains many very important points. Dealing with the masses, the congress stressed: We must thoroughly understand the lesson that the people are the roots; must strongly criticize bureaucratism; and must uphold the role of the masses and the formula to be applied in motivating them namely: Let the people know, discuss, do, and control. The congress stressed: The masses are not only those who implement party positions and policies in a passive manner; they also actively make suggestions and raise important issues with the party concerning the country and their daily activities.

The congress also emphatically discussed many urgent policy points toward the people of various strata and toward various social classes. In the domain of the state, the congress pointed out: Our state is a tool of the socialist mastery system, which is organized by the working class and the laboring people into an organ of political power. In the transitional period it is a proletarian dictatorial state that exercises the socialist democratic system. As far as the party is concerned, the party affirmed that it must pay attention to making itself politically, ideologically, and organizationally strong if it is to create a decisive effect on the growth of our country's revolution. The party must raise the six problems of renovating the way of thinking and improving the revolutionary qualities of party cadres and members as well as of the people as a main target of the ideological task; rejuvenating the contingents of cadres and strengthening various leadership and management organs; renovating the work style of party members, firmly maintaining various organizational and daily routine-related rules within the party, and improving the qualities of party members; struggling to oppose all negative phenomena; and improving the militancy of grass-roots organizations and promoting increased unity and singlemindedness within the party.

The congress also prominently pointed out that the incommensurability in party leadership stemmed from a far-reaching cause. This is because we have neglected the party building task and has committed shortcomings in this task. The congress emphasized that renovating thinking and improving the revolutionary qualities of party cadres and members and of the people constitute a main target of the ideological task.

5. Some other important points are: The congress decided that following this congress, there must a plan to launch a motivation movement to purify the party, overcome those indications of corruption and laxity in the state apparatus, and repel negative phenomena in society. We must regard these as very important measures aimed at enhancing the strength of the proletarian dictatorial system. The congress also pointed out the need to undertake the building of a perfect program of activity for the entire revolution during the transitional period and to come up with a socioeconomic development strategy and a scientific-technological development strategy.

These decisions bespeak the fact that the sixth congress has concentrated the wisdom of the entire party on resolving many socioeconomic problems facing the country, especially those targets and solutions of systematic and fundamental parameters and those consistent, categoric, and clear-cut viewpoints. These targets and solutions, though continuing to substantiate the policy lines outlined in the Fourth and Fifth CPV Congresses, contain many points which have been changed on the basis of a review of experiences and which is a manifestation of many new concepts.

The very high identity of views at the sixth congress is of great importance because it will help strengthen intraparty unity.

In short, those documents presented at the congress and which were unanimously approved by the congress can be seen as a great success of the sixth congress. With the problems of prices, wages, and money in particular, it was universally demanded by delegates to the sixth congress to come up with a measure to resolve the current burning situation. Party cadres and members and the people are waiting anxiously for this; but the Political Report and the Economic Report failed to satisfy this demand.

Through the suggestions made by various delegates, the congress noted in its resolution a task of coming up with essential measures to resolve at all costs all the pressing problems concerning distribution and circulation. These measures must be carried out uniformly in order to step by step reestablish the balance between the volume of commodities and that of money in circulation if we are to resolve the key problem, that is to reduce gradually and then proceed to terminating inflation. [paragraph continues]

This is a basis for reducing the rate of price increase and for proceeding toward stabilizing prices and the buying power of our currency, reducing difficulties, and gradually stabilizing the life of the laboring people, particularly salaried people.

The congress assigned the sixth party Central Committee to decide at an early date various concrete policies to guide all echelons and sectors in scrupulously and successfully effecting a fine change in due course.

II. Election of the Party's Highest Organ of Leadership

After defining correct political tasks, the selection of a contingent of leading cadres fully capable of performing them becomes a decisive factor. The sixth congress has vested with a very important task, that is the election of the new party Central Committee -- the party's highest organ of leadership between the two national congresses of delegates -- to symbolize the spirit of renovation and enhance the party's leadership ability and militancy.

This is an important and tremendously difficult task because, at a time when our party is in the historic period of transition between various generations, it is slow in correctly arranging the succession of the leading nucleus. Meanwhile, cadre planning still reveals many shortcomings, and errors in the recent major adjustment of prices, wages, and money still leave many consequences.

Following are the results of the elections at the sixth party congress:

-- Some 173 comrades were elected to the sixth Central Committee. Of these, 124 are full members and 49 are alternate members. Ninety-two members of the fifth Central Committee were reelected and 81 comrades were newly elected. The average of members of this Central Committee is 56.1. Some 116 comrades are 40-59 years old, 67 percent; 56 comrades are 60 years old or more, 32.3 percent; and 1 comrade is under 40 years old.

Twenty-one comrades joined the party before 1945, 12.1 percent; 142 comrades joined the party between 1945 and 1965, 82 percent; and 10 comrades joined the party between 1965 and 1969, 5.9 percent. Seventy-five comrades graduated from colleges or higher, 43.3 percent; and 56 comrades finished level-3 education.

-- At its first plenary session, the Sixth Central Committee, with complete unanimity, elected Comrade Nguyen Van Linh as general secretary and elected 13 full members and 1 alternate member of the Political Bureau. Of these, nine are former members and five are new members. This demonstrates succession and continuity. It also elected 13 comrades to its Secretariat and 7 comrades to its control commission.

Following these elections, the congress was deeply moved when Comrade Pham Hung, on behalf of the Presidium, announced that at the request of Comrade General Secretary Truong Chinh and Comrades Pham Van Dong and Le Duc Tho, the congress Presidium agrees to respect their right not to stand for election to the Central Committee on the ground of advanced age and failing health.

On behalf of our party and people, the congress solemnly commended the three veteran revolutionaries for their meritorious services and highly valued the noble and fine gesture by the three comrades which highlights the valuable tradition of our nation and our party that the previous generation solicitously guides the next generation which in turn faithfully carries on the work of the former.

The congress expressed the belief that in their new, important positions as advisers to the Central Committee, the three comrades will continue their contributions to our party's collective intelligence.

At its closing session, the congress was again deeply moved by Comrade Truong Chinh's statement. The comrade said: I have time and again asked the party Central Committee to allow me to take a less heavy job because I am now advancing in age and am physically weak. Our party has a large contingent of cadres, of whom there are many comrades fully capable of taking up the heavy responsibilities of the party and the state. Moreover, as our party Central Committee operates according to the principle of democratic centralism, all of the party's wisdom and creativity should belong to the collective. I have already proposed at this congress that I be exempted from running for the party Central Committee in the next term. Comrades Pham Van Dong and Le Duc Tho did the same. The congress has approved our proposals and entrusted us with the duty of serving as advisers for the new party Central Committee. We promise you, comrades, that we will strive to fulfill our new assigned missions and will join the entire party in preserving the unity and unanimity within the party as we would the apples of our own eyes as already advised by esteemed President Ho Chi Minh in order to implement successfully the resolution adopted at the sixth national congress of delegates.

In order to ensure its democratic character, the election was conducted according to principles stipulated by regulations. Set against a background like the current national situation, the fact that the congress was able to elect such a high leadership organ [Central Committee] for the party is a great success in terms of organization. In his closing speech at the congress, Comrade General Secretary Nguyen Van Linh observed: The congress succeeded in electing the Sixth CPV Central Committee, which is a manifestation of continuity and succession, to demonstrate a determination to renovate the party leadership in a way suitable to the actual situation of our country's revolution at present.

More than ever before, all of our party, army, and people must remain closely united around the new party Central Committee. This is the most important condition for ensuring the successful implementation of the guidelines and the many resolutions of the congress in order to make it possible for the country's revolutionary undertaking to overcome all existing difficulties and ordeals and continue its march forward.

III. The valuable international support:

The success of the sixth congress was also due to the valuable contributions made by 35 delegations of various fraternal parties, revolutionary organizations, and friendly parties. Coming from the five continents, comrades and friends brought our party and people the warm sentiments, the heartfelt friendship, and the militant solidarity for the lofty cause. From the congress forum, the sentimental and heartfelt friendly voices of our brothers and friends were unendingly echoed. These are the voices that highly valued the revolutionary undertaking of our party, of great Uncle Ho, and of our people for having made contributions to the world people's struggle.

Comrade Ligachev, head of the CPSU delegation said: In compliance with the testament of Comrade Ho Chi Minh, an outstanding Marxist-Leninist and an undaunted internationalist, your party, within a short historic period of time and under extremely difficult circumstances, has built for itself an extremely great reputation.

Comrade Jorge Risquet, head of the Cuban Communist Party delegation, emphasized: The tradition of remaining united, the undauntedness, and the militancy are the qualities which have made it possible for the CPV to lead the revolution to victory and to become, as it is now, the firm leading banner carrier of the principles of Marxism-Leninism and of proletarian internationalism for peace, national independence, and socialism.

As for the Salvadoran revolutionaries, as stated by Comrade Jorge Schafick Haldan, head of the Farabundo Marti Liberation Front delegation: Vietnam is a manifestation of an undefeatable will to win in the face of the strength of oppressors and enemies. Vietnam is symbolic of a victory that any nation can achieve if it has a truly revolutionary, determined, and militant leadership and has a capable vanguard brigade just as President Ho Chi Minh's party had.

All these are the high appraisals of the documents of the congress, regarding the Political Report presented at the congress which profoundly sums up the Vietnamese revolutionary process over the years and points out correctly the orientations and tasks for the years to come.

As Comrade Kaysone Phomvihan, head of the LPRP delegation, said: This is a manifestation of the creative application of Marxism-Leninism and the experience of the fraternal parties to the vivid realities in Vietnam. Comrade Heng Samrin, head of the KPRP delegation, said he has acquired from the document of our party congress an exemplary and most valuable lesson for the first stage of building the new regime in his young country, Cambodia. As pointed out by Comrade Jozef Czyrek, head of the Polish United Workers Party delegation, a characteristic of all the reports and speeches at the congress, was the profound assessment of various successes and the bold search for ways to solve many difficult problems with a spirit of criticism.

These reflect the belief of our friends in the world that all the objectives and solutions, together with the new thinking set forth by the sixth party congress will certainly be achieved.

Comrade Ligachev said: We note with great satisfaction that the strategic line you comrades put forth for socioeconomic development is free of voluntarism and the hastiness to bypass various essential stages of development, and is based on the principles of building socialism which have been tested by history. Meanwhile, Comrade Luis Carrion Cruz, head of the Nicaraguan Sandinista National Liberation Front delegation, noted: Advancing on the path of socialism which Vietnam has chosen, there is no miracle or common formula for us except the principles of revolution and our loyalty to the people.

In his speech, Comrade Alvaro Cunhal, head of the Portuguese Communist Party delegation, pointed out: We must have sympathy with the difficulties and ordeals encountered by the Vietnamese revolution and must strongly support and closely unite with the Vietnamese people in their new struggle. Not only the Vietnamese people but all the people in the world are concerned about the success of your work and struggle.

The sixth party congress concluded with fine success. It manifested a new step of maturity of our party in the direction of changing the ways of thinking -- especially economic thinking -- and doing things and renovating organizational and cadre-related work.

In his speech at the closing session of the congress, Comrade General Secretary Nguyen Van Linh said: The sixth party congress marks an important change in the process of inheriting and renovating the party's political, ideological, and organizational leadership. [paragraph continues]

The success of the congress is a new strength and a very important basis for further enhancing solidarity and unity throughout our party and people.

Since its founding, our party has always upheld the purity of Marxism-Leninism to steadily overcome all difficulties and ordeals. Solidarity and unity are the enormously valuable tradition of our party and nation. In recent days, our entire party, people, and Armed Forces have upheld their revolutionary zeal to help prepare for and hold the congress.

The fine success of the congress encourages our entire party, Armed Forces, and people to enhance their confidence in the party's leadership and in its new Central Committee elected by the congress. It is now the duty of our entire party, Armed Forces, and people to share one will and combine efforts to implement the sixth congress resolutions.

All party committee echelons must change the style of leadership to effect new changes step by step and must rely on the small changes in each part of their work to move forward.

Let all party members, combatants, and compatriots develop their activeness, initiative, and creativity to carry out satisfactorily all immediate tasks, fulfill the 1986 plan, and implement satisfactorily the 1987 plan. This is the practical action of every party organization and all comrades and compatriots throughout the country in honor of the fine success of the congress.

BEN TRE DELEGATE'S SPEECH AT CPV CONGRESS

BK040738 Hanoi NHAN DAN in Vietnamese 17 Dec 86 p 6

["Excerpt" from address by Nguyen Thi Dinh, delegate of Ben Tre provincial party organization, at the Sixth CPV Congress -- date not given]

[Text] Women throughout the country are turning their minds toward the sixth national party congress with the earnest hope that this congress will mark a new step forward in the Vietnamese revolution.

In recent years, implementing the resolution of the fifth national party congress and in an extremely difficult and complex situation, women throughout the country have still perseveringly striven to strongly push forward the movement of "New women building and defending the fatherland."

As a force accounting for more than 60 percent of laborers in agriculture, small industry, handicrafts, light industry, education, public health, culture, and arts, our sister have made important contributions to the country's socioeconomic achievements. Especially on the agricultural front, in conditions of disastrous natural calamities and insufficient energy, materials, and draft power, it would have been impossible for us to obtain such results in productivity and output as we did recently without the stalwart spirit, initiative, and creativity of tens of millions of people, of which women constitute a powerful force accounting for more than 80 percent of those directly engaged in crop planting and livestock raising. [paragraph continues]

In extremely harsh production and living conditions, the absolute majority of women from all walks of life have still resolutely endured hardships, brought into play their traditional industriousness in labor, ensured production and official duties, and readily contributed their labor and property and motivated their husbands and children to discharge their national defense obligation. This has once again proven the traditional patriotism of Vietnamese women, their sense of attachment to socialism, and their boundless loyalty to the party.

Although large masses of women have succeeded in preserving the above mentioned strong points, the women's movement in recent years has still suffered from limitations in many respects. This was caused partly by the fact that a number of women lacked a sufficient sense of responsibility, showed a decline in their will to make an effort, and shrank back at the sight of difficulties and negativism in society; and partly by the fact the masses' ardor often failed to yield results due to the shortcomings and errors in socioeconomic management, a situation this congress has severely reviewed and set forth guidelines to overcome.

Vietnamese women firmly believe that implementation of the socioeconomic targets and policies stated in the Political Report will create favorable conditions for the working people, men and women alike, to exploit all potentials, produce large amounts of material wealth, bring about new economic development, and move the country forward.

Our sisters are enthusiastic to see that their requests and aspirations have been noted down in the documents of the party congress. These are the requests for employment, for proper conditions in which to develop production, for stable living conditions, and for proper care in all aspects of their material and spiritual life, both in society and in their families. And the most cherished aspiration of every woman -- an aspiration for which countless mothers and countless wives have sacrificed their husbands and children for the revolution -- is to become the real masters of the country and for all to be equal before the law. This aspiration has been profoundly reflected in the Political Report. Our sisters hope that the concept of considering the people as the roots and that the slogan "Let the people know, discuss, do, and control" will be regularly translated into concrete daily activities in each unit, each enterprise, each organ, each cooperative, each street, each hamlet, and each village. Only in this way can words be matched with deeds, the party's ideas become synonymous with the people's wishes, and a great aggregate strength be created to help overcome all difficulties and fulfill all tasks. The concept of "considering the people as the roots" can only be realized if the party is purified and strengthened, law and regulations are restored, discipline is consolidated in the party and the state apparatus, and corruption, special privileges and perquisites are absolutely opposed.

Vietnamese women deeply understand that their personal interests, their families' happiness, and their children's future are closely linked with the stability and purity of the party and state apparatuses. Therefore, they have always been loyal to the party and earnestly wish to see it grow constantly to lead the cause of socialist construction to victory. Women are present everywhere and may know many things about the behavior and virtues of party cadres and members and state employees. The party only needs to really trust and rely on the masses, including women, then the masses will bring to light facts that may help the party successfully wage the extremely complex struggle to purify the party, overcome negative phenomena in the state apparatus, and ward off negative phenomena in society.

The socioeconomic guidelines, tasks, and targets laid down by this congress impose extremely weighty tasks on the entire people. Women of all strata have great responsibilities, especially in implementing the three programs of grain and foodstuffs, consumer goods, and export articles. We have everything it takes to fulfill these programs, including manpower, technical knowledge, and managerial experience as well as materials and energy. Aside from the capital investment provided by the state, the people still have considerable sources of capital. It remains only for the party and state to apply truly resolute measures to really concentrate their forces on renovating managerial work and amending and building a system of policies aimed at creating conditions for the laborers to engage in production activities with peace of mind, enthusiasm, and efficiency. If this is done, after a few crop seasons we can effect notable changes on the agricultural front and significantly increase the output of marketable products. Only on this basis can we slow down the rate of price increases and inflation and resolve step by step the wage problem as well as other issues regarding the stabilization of the people's life and of society. In the immediate future, we suggest that the procurement of agricultural supplies be revamped without delay, the policy on purchasing agricultural products be amended, and a number of cases involving abuse of power and violations of the state and collective's property be dealt with in a really severe and judicious manner in order to enable the people to see right way the resolve of the party and state to achieve renovation, thereby boosting their confidence and prompting them to zealously carry out all tasks. Certainly, women will be an active force serving as a prop for the party in the struggle to renovate the managerial mechanism, restore order and discipline, and strengthen our dictatorship of the proletariat.

Under the party's leadership, the Vietnam Women's Union, together with the VFF, various mass organizations, and their related committees and sectors, will renovate their methods of operations, work closely with the grass-roots levels, educate and motivate women of all strata, enhance their sense of mastery, surmount actively all difficulties, and fulfill positively all tasks. At the same time, it will promptly receive women's legitimate requirements and wishes and will recommend that the party and state adopt appropriate positions and measures, formulate laws and policies, and control and supervise their implementation.

Conscious of their responsibilities, women of all walks of life will demonstrate their determination to implement the resolutions of the party congress by taking concrete and effective actions in accordance with their positions. They will make every effort in working, producing, practicing thrift, studying, complying with laws and policies, building families, and raising good children, thereby making practical contributions to promoting the mass movement for revolutionary actions in each grass-roots unit and successfully implementing the 1986-1990 5-Year State Plan. Vietnamese women pledge to remain worthy of respected and beloved Uncle Ho's praise: "Our picturesque Vietnam has become even more beautiful and splendid thanks to the efforts of our women, young and old alike."

PRESIDENT SUHARTO PRESENTS 1987-88 DRAFT BUDGET

BK070300 Jakarta TVRI Television Network in Indonesian 0315 GMT 6 Jan 87

[Speech to Parliament by Indonesian President Suharto presenting the 1987-88 Draft State Budget -- live]

[Excerpts] Peace be upon you! Honorable chairman, vice chairmen, and members of the House of Representatives! Ladies and gentlemen!

In accordance with the tradition, the president of the Republic of Indonesia presents the draft budget for the following fiscal year in the first week of January every year. We have developed this excellent tradition to contribute to the development of democracy and politics in our country in accordance with the provisions and spirit of the 1945 Constitution. Accordingly, I am happy today to fulfill my obligation and present to the honorable House the draft state budget for the 1987-88 fiscal year. A draft state budget is very important for our nation because it involves basic issues, including how to mobilize financial resources to implement what we will do during the fiscal year. A draft state budget is also a very important national issue because it involves what we will do during the year to implement the broad outlines of state policies entrusted by the people through the general session of the People's Consultative Assembly. Thus, each session like today's is always attentively followed not only by honorable House members and invitees but also by all people from all circles and strata. This great attention is very good because it reflects our great responsibility for the development and growth of our nation and country in the future. I hope that this great responsibility will in turn bring a positive and responsible attitude and action. This means that all of us without exception will take steps to accomplish our national work program in 1987-88 by enhancing our positive contributions and role for the success of these national tasks while simultaneously totally refraining from action not conducive to them. [passage omitted]

Honorable session: After achieving early success in the First, Second, and Third 5-Year Development Plans, we realized that the succeeding years would be full of trials, especially in the economic field. Being part of the interlinked global economy and having various weaknesses and shortcomings, we as a developing nation have felt the unfavorable effects of the prolonged and uncertain world economic recession. However, we have responded realistically to this fact. Thus, entering the Fourth 5-Year Development Plan, we set an economic growth rate lower than in the Third 5-Year Development Plan even though we were determined to lay the basic framework in the Fourth 5-Year Development Plan to achieve the target of our long-term development, namely, the creation of a solid basis in the Fifth 5-Year Development Plan to enable us to take off in the Sixth 5-year Development Plan to attain the national aspirations -- a just and prosperous society based on Pancasila. The heavy challenges in the Fourth 5-Year Development Plan have in turn redoubled our determination to work harder and promote our national efficiency, productivity, and discipline to enable us to lay the basic framework for development in the Fourth 5-Year Development Plan to create a stable basis in the Fifth 5-Year Development Plan. Thus, while we are facing heavy challenges in the Fourth 5-Year Development Plan, we still have time to get everything settled in the Fifth 5-Year Development Plan to enable us to take off in the Sixth 5-Year Development Plan to continue our development toward our national aspirations.

Long before the current difficult period came, we had taken precautionary steps to overcome medium-term as well as long-term challenges. This being the case, since 1983, we have taken a series of precautionary and stabilization steps in the economic sphere.

First, after readjusting the value of the rupiah through devaluation in March 1983, we rescheduled big government projects absorbing much foreign exchange with a view to protecting the balance of payments. Second, we undertook banking reforms to mobilize development funds from and for the public in an effort to motivate public participation in development. Third, we renewed the taxation law in a effort to fairly and responsibly increase revenues from taxes to brace ourselves for a possible decline in state revenues in oil suffered from declining prices on the international market. Fourth, we took steps to ensure the smooth flow of goods through Presidential Directive No 4/1985 designed to invigorate economic life and reduce production costs. Fifth, we are trying to increase nonoil and nongas exports through the 6 May 1986 policy followed by efforts to encourage economic activities through the 25 October 1986 policy. Sixth, we have taken various steps such as cutting bureaucracy and so on to encourage economic activities among the people with a view to expanding job opportunities despite the world recession. We were inforced to devalue our currency, the rupiah, to protect our balance of payments due to a sharp and rapid decline in the price of oil on the international market. Without these concrete steps, our economic situation and development would not have achieved the present level. The situation would be far more difficult than we are facing now. Indeed, I said that the government did not need to and would not devalue the rupiah when I presented the 1986-87 draft state budget to the honorable House on 6 January last year. However, as I have said, the fact that the government was later forced to resort to devaluation in no way means that the government was inconsistent or that it would deceive and mislead the people. The government was forced to resort to the September devaluation -- in apparent disregard of its previous statements -- only after taking into account various factors with a sense of responsibility. The decision was a difficult one, but I believe it was more moral and responsible to speak frankly to the people and make that good decision for the sake of the long-term development rather than making no decision and merely maintaining my earlier position on devaluation. [applause]

We have anticipated the decline of oil prices in the international market, prompting us since 1983 to take the series of measures to safeguard our economy which I earlier described. Our anticipation of declining oil prices made last year's budget smaller than the previous budget -- the first time in history since we began our national development programs. However, the drastic and rapid fall in oil prices was beyond our expectations -- and anyone else's.

When the government presented the 1986-87 draft budget to the esteemed session of parliament in January last year, it expected a fall in oil prices from \$28 to \$25 per barrel. Even if the price plunged further, the government expected the price would remain at about \$20 per barrel. In January 1986, the oil price did indeed stand over at \$20 per barrel. However, from March 1986 until 6 months later, oil prices fell drastically to under \$10, at one time going as low as \$8 per barrel. The drastic fall obviously brought disaster to oil-producing countries, especially to Indonesia, which is a developing country with a large population.

We are grateful to God that the oil-producing countries, especially those grouped in OPEC, have now agreed to curb production quotas with a view to improving world oil prices. However, as I said in my message to the leaders of the oil-producing countries, an improvement in world oil prices will take place only if they can show restraint in determining their own production quotas and seriously implement the resolutions they have agreed upon.

The drastic fall in oil prices in 1986 brought about a 47-percent shortfall in our revenues from the oil sector, namely from \$12.4 billion in FY 1985-86 to \$6.6 billion in FY 1986-87. Despite the projected increase in revenues from nonoil and commodity exports, overall revenues in the oil and nonoil sectors were reduced from \$16.6 billion in FY 1985-86 to \$13.1 billion in FY 1986-87, or a decrease of about 30 percent.

It is obvious that a 30 percent decrease in state revenues during a single fiscal year without any indications of an improvement in the short term was an unusual event with serious repercussions and merited an unusual response. Our response was to devalue the rupiah. Even though the devaluation was done with a heavy heart and would obviously have a negative impact, we still consider it as the best way to safeguard our economy and development programs.

As I said a year ago, our rupiah was floated against foreign currencies. As long as our revenues from commodity exports fluctuated within normal limits, the system would reflect a normal exchange rate. However, if within a short period of time revenues shrank by 30 percent without any prospects for a solid improvement in the short term, fluctuations in the exchange rate under the floating system would bring about rampant speculation against foreign currencies, which would exacerbated the already serious situation. Therefore, before such a terrible event could take place, we decided to devalue our rupiah to safeguard the economy and prevent an even more complex situation arising in the economy.

In this connection, I would like to use this opportunity to convey my deepest appreciation to all groups and to this honorable session of parliament for their understanding of the move to devalue the rupiah and for adjusting themselves to the unpleasant situation.

Honorable session: As oil and gas constitute a major state revenue earner, the fall in oil prices constitutes a heavy burden on our state budget. Therefore, the balance of payments and state revenues are two difficult tasks which we have to deal with during the 1987-88 fiscal year or the fourth year of the current Fourth 5-Year Development Plan. [passage omitted]

Fellow countrymen: Thanks to our earlier successes in our development programs, we now have strength and resilience during this difficult time. We can maintain our national stability, including a solid economy stability, and in 1986 we maintained our inflation rate at below 9 percent despite the devaluation and the ensuing increase in commodity prices. As a nation, we have raised ourselves from a low-income to a middle-income nation. We have also made initial successes in the agricultural field, namely from the largest rice-importing nation in the world into a nation self-sufficient in rice. We have built many economic facilities and infrastructure including irrigation dams and power plants with a view to increasing production and improving the people's living standards. We have developed our communications and telecommunications networks to enable us to widen our economic activities to all parts of the country and at the same time strengthening our national unity. We have built industries from the simple level to those using advanced technology. We have built numerous facilities for the people's welfare. [passage omitted]

Honorable session: The government will continue to adopt a balanced budget as stressed by the National Budget Planning Board. Such a budget is an important factor to ensure strong economic stability. Past experience shows that without such stability, we cannot make any headway toward development. With a strong economic stability as the main pillar of national stability, we will exert all our efforts to further evenly spread out development gains and also make efforts to achieve economic growth in an integrated manner to implement the 3-part program of development which has been entrusted upon us by the Broad Outlines of State Policies. With the limits constricting the state financial situation, our options are more limited than in previous years. This compels us to choose wisely in selecting our priorities in the total national expenditure for routine needs or for development. With our limited resources we must seek to achieve major successes. As in previous years, development discipline to the fullest with a feeling of deep responsibility to enable us to achieve all the objectives which we have set.

We should further intensify our discipline in development, efficiency, and productivity and should regard them as a national effort to be carried out with the fullest sense of responsibility by the government, private, and business sectors. By employing all our strength and taking into account all funds which can be obtained from within our outside the country, the government presents to the honorable session the 1987-88 state budget totaling 22.7 trillion rupiah. This represents an increase of 6.4 percent from the present budget. The national expenditure will be in balance with the national income of more than 22.7 trillion rupiah. Like draft state budgets in previous years, the national revenue will consist of internal revenue and development revenue originating from overseas. The internal revenue is expected to be more than 17.2 rupiah, or a decrease of 3.3 percent from the income of the present fiscal year, while the income from development is expected to be more than 5.5 trillion rupiah, or an increase of 5.46 percent from the present budget.

Routine expenditure will total more than 15 trillion rupiah or an increase of 14.5 percent from the current level, and development expenditure is expected to be more than 7.7 trillion rupiah, or a decrease of 6.5 percent.

Honorable speaker: Allow me to outline the 1987-88 draft state budget which contains national income as well as national expenditure. As I said previously, the income of our country is made up of internal income for development from overseas. The internal income is derived from petroleum and natural gas and also from outside these sectors. Revenue from petroleum and natural gas will come for the production of petroleum and natural gas. In FY 1987-88 the income from these sectors is expected to be more than 6.9 trillion rupiah, or a decrease of 28.7 percent from the 1985-86 program. The income is made up of income from petroleum of nearly 6 trillion rupiah and income from natural gas of 960 billion rupiah, while income from sectors other than petroleum and natural gas during FY 1987-88 is expected to be more than 10.32 trillion rupiah, or an increase of 27.2 percent. From these figures we can see how great an influence the decline of oil prices in the world market is having on our country's income and by much we will have to work to increase income from outside the oil and natural gas sectors. This means we must increase our income from taxes. These tax increases reflect our determination to shoulder the heavy burden of development. This is the responsibility and dignity of an independent race. We also have to broaden national economic development which will in turn make it possible to increase the tax on every taxable person to be paid to the nation for development needs in accordance with regulations. Aware of our crucial dependence on oil income and our responsibility to increase our efforts to shoulder our development burden, we moved in 1983 to issue several national tax laws suitable for development needs. At this juncture, I again call on the people to pay their taxes in full with full awareness, discipline, and responsibility. Our tax laws are based on fairness and it is only fair that those who are without or who have much lower income. Based on this concept of fairness, those with incomes up to a certain level are exempt from tax. [Passage omitted]

Honorable speaker, allow me to outline further the development income. As I have already mentioned, the development income is derived from foreign aid. For the 1987-88 fiscal year, it will total more than 5.5 trillion rupiah or an increase of some 54 percent from the present fiscal year. The development income consists of program aid, project aid, and export credits.

In addition to project aid and export credit in the previous year, project aid in the new fiscal year will contain a new element, namely additional aid in the form of foreign exchange convertible into rupiah to be specifically used to finance certain projects. The additional aid to be received in the form of foreign exchange will have double benefits for us.

Moreover, in addition to providing rupiah funds for certain projects, it will increase our existing foreign exchange. Thus, this additional aid will help us alleviate pressure on our balance of payments while simultaneously increasing funds to be used for development. This additional aid reflects the trust of foreign countries on us because without their trust, such additional aid would not have been extended to a country. Besides, this additional rupiah aid reflects the success of the struggle of Third World countries within the context of North-South cooperation. Accordingly, I would like through this forum to extend deep thanks and respects to those who have approved this kind of aid to accelerate our development.

Program aid for the 1987-88 fiscal year is expected to reach some 121 billion rupiah or an increase of 49 percent, while project aid and export credits, including the rupiah aid will amount to more than 1 trillion rupiah or an increase of 54 percent.

Honorable session, let me now outline national expenditure, which, as I have already mentioned, consists of routine expenditure and development expenditure. Routine expenditure is expected to reach more than 15 trillion rupiah or an increase of 14.5 percent, while development expenditure will comprise government savings plus development income consisting of program aid, project aid, and export credits as well as the above-mentioned additional aid in the form of foreign exchange. We will have government savings amounting to 2.2 trillion rupiah as internal income will total 12.7 trillion rupiah while routine expenditure will be 15 trillion rupiah. [figures as heard]

This amount plus program aid amounting to 121 billion rupiah and the rupiah project aid totaling 1 trillion rupiah represent rupiah funds reaching more than 3.3 trillion rupiah. Compared with the present fiscal year, rupiah funds in development expenditure for the next fiscal year will be much lower -- a decrease of some 30 percent. Coupled with project aid and export credits, excluding the rupiah project aid, totaling more than 4.4 trillion rupiah, our total development expenditure will reach more than 7.7 trillion rupiah or a decrease of 6.5 percent. Routine expenditure will consist of expenditures for civil servants, goods, subsidies for autonomous regions, payment of interest and debts, and so on.

As in the present fiscal year, due to very limited state financial resources, the government will further tighten priorities and austerity measures. The priorities are to ensure the smooth implementation of government tasks, provide the best possible services to the people, and maintain the gains of development we have thus far achieved. In addition, we must fulfill our obligation to pay debts and their increasing interest.

Under this policy, expenditure for civil servants will total some 4.3 trillion rupiah or an increase of 2.5 percent, particularly for the appointment of new personnel to replace the retirees. In this respect, I would like to remind you that in the 1985-86 fiscal year the government had adequately readjusted the salaries and pension allowances of civil servants and Armed Forces personnel.

With this readjustment, the salary system was revised by increasing base salaries as well as providing post allowances for teachers and medical personnel in public health centers. For the 1987-88 fiscal year as in the 1986-87 fiscal year, it would be impossible and illogical for the government to increase the salaries of civil servants and Armed Forces personnel due to the state financial situation as reflected by available figures. [applause] Accordingly, I sincerely call on all civil servants and Armed Forces personnel as servants of the state and the people to sincerely exhibit their dedication at a time when the state and the people are going through current difficult trials.

Routine expenditure for purchasing goods at home as well as for our missions abroad will reach some 1.1 trillion rupiah or a 14 percent decrease over the present one. As I have said earlier, this is really part of austerity measures. Subsidies for autonomous regions will total more than 2.6 trillion rupiah or an increase of 0.4 percent. This increase is mainly for recruiting new civil servants, particularly primary school teachers and medical personnel in public health centers. As in the previous years, subsidies for autonomous regions will cover Irian Jaya and East Timor Provinces.

In the meantime, the largest routine expenditure is for paying the domestic and foreign debt interest and debts which will total some 6.8 trillion rupiah. Of this amount, 6.76 trillion rupiah will be used to pay foreign debt interest and debts, representing an increase of more than 61 percent. This sharp increase is partly attributable to an increase in the amount of debts and interest in foreign exchange we have to pay and to the September devaluation. Besides, increasing payment for our debts in rupiah is caused by the appreciation of the yen and the currencies of some European countries against the U.S. dollar in recent months. It is a logical obligation to repay our debts. This is a matter of dignity and responsibility for a sovereign nation. [passage omitted]

There are four sectors whose development funds are expected to be more than 1 trillion rupiah. The four sectors are: 1) communications and tourism; 2) agriculture and irrigation; 3) mining and energy; 4) education, the younger generation, national culture, and belief in Almighty God.

To continue to spread development gains evenly and encourage economic activities in all regions, the regional, rural, and urban development sector will receive much funding -- more than 873 billion rupiah. This sector ranks fifth after the above four sectors.

I need to stress that due to limited development funds, other sectors generally have their development funds reduced. I will outline various important development activities to be carried out during the 4th year of the Fourth 5-Year Development Plan. The communications and tourism sector will receive more than 1.2 trillion rupiah or a 21 percent increase. The high priority to this sector is part of efforts to further strengthen economic infrastructure, particularly communications and telecommunications. [passage omitted]

The government will allocate 54 billion rupiah for the state apparatus in an effort to enhance development in this sector in accordance with available financial resources. Similarly, we will continue development in the defense and security sector, which will be allocated with some 510 billion rupiah -- still within our financial capability.

Honorable session, such is my explanation of the 1987-88 draft state budget which falls on the 4th year of the Fourth 5-Year Development Plan. From now on, we are able to see how great trials and challenges are ahead. We have seen how heavy our tasks will be. However, we have also seen open opportunities which we will not overlook. We will use them to the best of our ability to achieve successes. Simultaneously, we have been prepared to shoulder the heavy tasks. We have been prepared to overcome all trials and challenges. By praying to God the Merciful, let us face trials and problems ahead with consciousness and hopes to overcome them because we believe that all this is part of our common path to a developed, prosperous, just, and eternal society based on Pancasila.

Thank you. And peace be upon you.

Dailies View Budget

BK080222 Jakarta Domestic Service in Indonesian 0600 GMT 7 Jan 87

[From the press review]

[Text] BERITA YUDHA says that the government has been realistic in drafting the 1987-88 state budget by placing emphasis on the current domestic situation. The paper says the domestic situation is relatively more stable, and so the Indonesian people should enter the new fiscal year with firm determination.

BERITA BUANA writes in its editorial that although the ordinary people may not fully understand the figures mentioned in the draft budget, the speech was very interesting not only for the people's representatives but also for all Indonesian people. What is very interesting for BERITA BUANA is the president's sincere acknowledgement of the serious economic situation. The paper hopes that through stable cooperation between the House of Representatives and the government we will enter the 1987-88 fiscal year with realism and hope.

ANGKATAN BERSENJATA also admits that the situation, although difficult, is not without hope and we must face it with hard work, perseverance, efficiency, and modesty.

Meanwhile, SUARA KARYA pays particular attention to the policy of encouraging the people's economic activities as stressed by the president in his speech yesterday. According to the paper, this policy should be translated into reality. If this is not the case, the new direction initiated since 1983 will continue to face obstacles. Similarly, efforts to enhance the people's participation in development will continue to stagnate.

JAYAKARTA says that the Indonesian people must further tighten their belts in entering the 1987-88 fiscal year. Various forms of wastage and leakage must be further minimized in implementing the 1987-88 draft state budget.

MERDEKA quotes the vice chairman of the House Budget Commission from the Functional Group Faction as saying at a press briefing [passage indistinct].

KOMPAS views the 1987-88 draft state budget as a national task. According to KOMPAS, our current task is to further harness the development momentum. This means [words indistinct] perseverance, hard work, honesty, and [word indistinct]. According to KOMPAS, this is the key to success. The impetus will easily spread to the people if the leaders, as models for the people, truly show the way toward this end. It is the leaders who will have to show the example if this impetus requires us to sacrifice our interests. Their action will in turn serve as an effective means to solidify the people's trust.

Dissidents Criticize Budget

BK071115 Hong Kong AFP in English 1032 GMT 7 Jan 87

[Text] Jakarta, Jan 7 (AFP) -- Dissidents warned here Wednesday that Indonesia's new austerity budget could worsen civil service corruption, while press reports said it would not work unless examples were set at the top.

A salary freeze for 3.1 million civil servants and the 400,000 strong Armed Forces and police included in the 1987-88 draft budget unveiled Tuesday would bring the risk of rampant corruption. Slamet Bratanata, a former mining minister, said. "Tax employees are not known for their dedication, and the freeze on their salaries coupled with the strong inflation, will not make them more honest," added Mr Bratanata, a member of the dissident "Group of 50" composed mainly of retired civil servants and former military officers. He also joined the newspapers in saying that the government's new drive to earn revenue through efficient taxation could only be effective if examples were set at the top. Almost all the country's newspapers, foreign bankers and economists hailed the budget as "realistic" and "prudent" but cautioned that there was a social cost and that the implementation would be all-important. Mr Bratanata criticised President Suharto for calling on the people "to seriously carry out with full awareness and discipline their obligation to pay taxes," when "a month before the announcement he signed a decree suspending value added and luxury taxes for 5 years on purchases by one of his sons' companies."

Three of Mr Suharto's sons and several of his close associates are heavily involved in business, with holdings in companies in the oil sector, plastics, construction, imports and real estate. "There should be no preferences, all Indonesians should pay their tax dues," the independent MERDEKA newspaper quoted Nuddin Lubis, deputy chairman of the Indonesian parliament, as saying. Several foreign bankers, who asked not be named, expressed qualms about targetted size of tax revenues in 1987. Some said hefty increases in value added taxes (VAT) should come only through efficient collection, not through an increase of the number of items covered.

Said one, "Purchasing power will be down with the wage freeze, and the burden especially through VAT should not be too heavy." Mr Bratanata was more critical. "With such a system of tax exemption, the existing system of monopolies and privileges accorded only to some people, how can you expect the rest of the population to be disciplined," he said.

Heman Suwardi, rector of the Management and Cooperative Institute, told the daily PAKIRAN RAKYAT that the freeze on government wages could threaten the country's rice self sufficiency by discouraging government field workers. Economic Professor Mansur Mulyakusuma told the paper he thought the decrease in government projects would cut our moonlighting among civil servants and that coupled with the pressures of the wage freeze, they would be pushed to compensate by increasing "illegal levies" a euphemism for corruption.

Said one former government economist who supports the government, "The hardest thing is the wage freeze. That makes it very difficult. All one can hope is that if the oil price improves, the government uses at least some of it for salaries." "The crunch in government departments will make it very, very difficult, and it is clear the government has traded off a bit of social strength for financial strength," said one foreign banker.

"Very few governments in the world would go into an election year with a budget like this -- whatever you think of Indonesia's electoral process," said one foreign financial analyst. Whether the government succeeded in implementing it would depend on associated policies in trade and finance allowing greater freedom to the private sector. Indonesia's five-year elections are shceduled to be held April 23.

MALAYSIATIN PRODUCTION TO STAY AT 30,000 TONS IN 1987

BK071658 Kuala Lumpur International Service in English 0600 GMT 7 Jan 87

[Text] Malaysia will maintain its tin production of around 30,000 tons this year as set under the production rationalization scheme proposed for the Association of Tin-producing Countries, ATPC.

Primary Industries Minister Datuk Dr Lim Keng Yaik says the scheme will adjust the production fees for cutback strategy based on the 1986 production figures of ATPC member-countries. Indonesia produced 26,000 tons of tin last year. Thailand's production was 18,000 tons, while Bolivia was between 7,000 to 8,000 tons. Speaking to newsmen in Kuala Lumpur yesterday, Datuk Dr Lim also confirmed the report that he would be attending a consultative meeting on Friday [9 January] in Singapore to discuss a proposed cut in tin production with Thai Minister Dr Subroto. They are expected to discuss problems facing the industry before holding talks with other ministers of the ATPC, Bolivia, and Zaire. At the ATPC's last official meeting, it was agreed that member-countries should not produce more than 96,000 tons of tin a year in order to cut down overhanging stock on world markets, estimated at 80,000 tons, as to chalk up prices.

Datuk Dr Lim said the orderly depletion of the overhanging stock will chalk up the price of tin to its normal price level of between 20 to 22 ringgit per kilogram. The price of tin at the Kuala Lumpur Tin Market closed at 17 ringgit 39 cents yesterday.

STUDENT GROUP OPPOSES CHINESE CLASSES IN SCHOOLS

BK061534 Kuala Lumpur Domestic Service in Malay 1230 GMT 6 Jan 87

[Text] The Peninsular Malaysia Malay Students Association [Gabungan Pelajar Melayu Semenanjung], GPMS, today protested against steps taken by the Education Ministry to introduce Chinese as a subject in national schools in the country. GPMS considers the move as unwise and contradictory to the national education policy. Its president, Mr (Ramli Yusoff), said in a statement today that GPMS members will meet with Education Minister Mr Anwar Ibrahim as soon as possible to get further information on the matter.

Meanwhile, GPMS has called on all Malay language associations to join in to protest against the ministry's measure. According to Mr (Ramli Yusoff), GPMS today lodged a protest via telegram to Mr Anwar Ibrahim.

GENERAL VER REPORTEDLY DIVERTED ARMS TO IRAN

HK080307 Hong Kong AFP in English 0259 GMT 8 Jan 87

[Text] Manila, Jan 8 (AFP) -- A top official in the Ferdinand Marcos regime diverted arms intended for the Philippine military to Iran through U.S. and Israeli intermediaries, it was reported here Thursday.

The MALAYA newspaper, quoting military sources, said Mr Marcos' armed forces chief, General Fabian Ver, diverted about half a billion pesos (24 million dollars) worth of mortar shells, assault rifles, grenades, ammunition and other military equipment to Iran in 1984 and 1985.

The equipment, the newspaper said, was manufactured locally by companies owned by Mr Marcos' associates, supposedly as part of a Philippine military self-reliance program.

The Israeli and U.S. intermediaries served to conceal the actual destination of the weapons, the report said.

The military sources were also quoted as saying that U.S. investigators were preparing a full-scale probe into the extent of the participation of the Reagan administration in the diversion and they had also asked local military officers for help in the investigation.

Gen Ver and Mr Marcos fled to Hawaii in February after Mr Marcos was overthrown in a popular revolt. The MALAYA said that Gen Ver was currently in Switzerland although there have been conflicting reports of his whereabouts.

PEACE PANELS ACCEPT DIOKNO'S PROPOSALS

HK071355 Quezon City ANG PAHAYAGANG MALAYA in English 7 Jan 87 pp 1, 6

[By Gene Orejana]

[Excerpts] Government and rebel peace negotiators yesterday agreed on four talking points proposed by former Sen. Jose W. Diokno as they opened the second phase of the talks amid new pessimism over the success of the parley.

Negotiators from both panels, chided by the ailing Diokno for their pessimistic attitude toward the talks, agreed to limit their discussions to the issues of "food and freedom, jobs and justice" which Diokno outlined.

But two hours of discussions failed to produce a common agenda for negotiators of the government and the National Democratic Front [NDF], which represents 12 underground rebel groups, including the Communist Party of the Philippines and its military arm, the New People's Army. [passage omitted]

Speaking to reporters after the meeting, government negotiator Teofisto Guingona Jr. said the NDF "agreed in principle" to the Diokno proposal.

But he said the government panel will have to study the 10 point demand raised anew by the NDF yesterday. He said the government will have a response before the next meeting of the panels next Tuesday.

Diokno said in his letter he was "deeply concerned about the direction of the talks" which prompted him to issue a "framework for the discussion of the agenda for peace."

Specifically, Diokno said in his letter to both panels, he was disturbed about two trends in the talks. These were:

-- "We should guard against dogmatism of either side and think first and only of what would serve our people best."

--"We must guard against interference by any nation, especially the government of the United States, whose interests oppose those of our people."

The three-man government panel of Guingona, Jaime Guerrero and Maris Diokno accepted the proposal hours before they met with their NDF counterparts.

Government spokeswoman Alice Villadolid said the panel accepts Diokno's appeal for greater flexibility in the talks.

In limiting talking points to the four issues, Diokno said, "For what is freedom when there is no food, or justice when there are no jobs?"

He added: "A starving man does not have much freedom of choice and there is no justice in poverty. Food without freedom, jobs without justice, would be like leaves without a tree."

In this light, Diokno urged both panels to seek solutions by keeping in mind that "despite ideological differences and other differences, we recognize these needs for what they are, and that the answers to them are not intended to stop rebellion or subversion, but to enable every Filipino to live as a human being, proudly and with dignity."

He also urged them to "accept that the solutions are as interrelated as the problems they address, and that as we work out each one, we are conscious of its relation to the rest."

And lastly, he said, these problems "are ours and ours alone to resolve ... and not as foreigners would want us to solve them."

Diokno's addition to the Jan. 3 agenda of the government limiting talks to land reform and industrialization "was more aggressive and direct" in attacking the "ideological biases of both sides," Villadolid said.

Putting ideology in the background and concentrating on the major issues Diokno laid out, Villadolid said, "would allow the talks to continue."

Diokno's letter yesterday was the second time he addressed both panels. In a New Year's Day letter, Diokno criticized both panels for having dire predictions of the talks collapsing.

Before the sessions yesterday, about 500 farmers from Central Luzon marched to the negotiation site in Diliman, Quezon City to demand land reform and the release of alleged communist chief Rodolfo Salas.

A 23-man delegation was allowed to present the demands to both panels before the talks began. Dante Ilaya, a march organizer, said they wanted "assertion of sovereignty against the U.S. and all foreign imperialists who continuously interfere with and control our economy.

Banners and streamers demanded: "Wakasan ang imperialistang dominasyon sa bansa. (Stop the imperialist domination of our country.)"

Commenting on the 10-point proposal of the NDF, Guingona said most were "being addressed by government." He said that on the rebel demands of including Salas in the NDF panel and the repeal of remaining, repressive decrees of Marcos "the government's position is clear."

Government negotiators have repeatedly said Salas' release is non-negotiable as he was arrested before the truce took effect and he had already been charged in court with rebellion.

As for the repressive decrees, Guingona reiterated that whatever repressive decrees remain are being studied. He said that "decrees against human rights have been lifted."

China NDF negotiator Satur Ocampo said after their two-hour meeting with the government panel that the framework for the peace talks submitted by Diokno is "too broad" and there is a need to flesh it out.

The NDF submitted to the government panel a 10-point agenda for bargaining and said they were able to initially discuss seven topics. Rebel negotiator Antonio Zumel said they have not so far reached an agreement.

Zumel said the topics they submitted form part of the first agenda the NDF presented to the government and they are not in conflict with Diokno's proposal.

"Food, Freedom, Jobs and Justice (the proposed framework of Diokno) is the capsulation of the problems of the people," Ocampo said.

The NDF proposals, all of which fall under their first agenda for peace which is the complete dismantling of the remaining features of the Marcos regime, are:

- The immediate release of Rodolfo C. Salas and other remaining political prisoners.
- The immediate repeal of Marcos laws and decrees which violate human rights.
- The arrest, trial and punishment of all government and military officials and personnel who committed various politically motivated crimes.
- Immediate rehabilitation and indemnification of all victims of human rights violations (including their relatives).
- Immediate dismantling and disarming of Civilian Home Defense Forces, private armies of political warlords, religion-fanatical sects, "lost commands" and Marcos loyalist goons.
- Termination of AFP [Armed Forces of the Philippines] jurisdiction over the local policies.
- Thorough reorientation and reorganization of the AFP.
- Immediate approval of all measures to abolish torture and other human rights violations recommended by the presidential committee on Human Rights.
- Immediate adherence to international laws and covenants upholding human rights and dignity.
- Justice for labor leader Rolando Olalia and Leonor Alay-ay.

Reacting to the government's rejection of the demand to release Salas, Ocampo said they are presenting arguments and asked the panel to give the president leeway to exercise her prerogative on the matter. He said the release of Salas is a political question.

He said the 10-point agenda is under the "freedom and justice" clause as proposed by Diokno, and "in a sense, an extension of the demands of the NDF for the government to fulfill its commitment."

Ocampo said the government panel promised to submit its response to their agenda within a week.

The NDF will submit its formal response to Diokno's proposal next Tuesday.

REBELS SAY TALKS 'IN DANGER OF COLLAPSE'

HK081009 Hong Kong AFP in English 1004 GMT 8 Jan 87

[Text] Manila, Jan 8 (AFP) -- Philippine communist insurgents warned Thursday that peace talks with the government were in danger of collapse because of its "heightening arrogance" in dismissing the rebels' proposals.

The rebels also said Jose Diokno, the ailing head of the government negotiating panel, had asked President Corazon Aquino to free alleged communist leader Rodolfo Salas from jail because his detention was an "infringement of his constitutional rights."

Speaking in a news conference two days after the substantive phase of the talks began, the National Democratic Front's (NDF) Antonio Zumel said he was "appalled by the heightening arrogance" with which the government panel dismissed the rebels' proposals.

He suggested that the government could be "inventing reasons to scuttle not only the ceasefire but the peace talks" by asking the rebels to stop collecting taxes from the people when the agreement on the present 60-day ceasefire did not prohibit them from doing so.

"If the government is going to behave in this way so soon after the peace talks have started -- arrogantly dismissing our well-considered proposals arrogantly and out of hand -- we are afraid that much to our regret, the talks are headed for total failure," he said.

He said the rebels' proposals included a call for the abolition of the "repressive decrees" of deposed President Ferdinand Marcos, the punishment of military men who committed abuses, and the indemnification of their victims.

Roman Catholic Bishop Antonio Fortich, the head of a joint panel monitoring the truce, has said he will ask the two panels to consider extending the ceasefire, which ends on February 7, so that talks about a political settlement to the 18-year-old rebellion could continue.

The Armed Forces Chief of Staff, General Fidel Ramos, indicated Wednesday that he was against any extensions, saying the rebels had used the truce to consolidate their forces and conduct propaganda work.

The official PHILIPPINE NEWS AGENCY Thursday reported a brief gunbattle Monday between government troops and communist New People's Army (NPA) guerrillas on the central island of Aklan, the second such incident this week. The agency said no one had been reported hurt.

The NDF showed a letter apparently signed by Mr Diokno and addressed to Mrs Aquino saying the manner of Mr Salas' arrest in September was unlawful.

The letter said: "I therefore respectfully urge you to order the immediate release of Mr Salas.

"Such an action on your part would reinforce your government's commitment to the rule of law and the cause of human rights in the Philippines."

Mrs Aquino's correspondence office said it had not received such a letter.

GOVERNMENT WARNS REBELS ON 'TAX COLLECTIONS'

HK080203 Manila Far East Broadcasting Company in English 2300 GMT 7 Jan 87

[Excerpt] The government has warned the communists to stop their illegal collection of taxes from farmers and businessmen. Chief government peace negotiator Teofisto Guingona said the government will utilize the full force of the law against the communist rebels if their forcible tax collections continue. The warning was given by Guingona during talks with the communist National Democratic Front [NDF] representatives because of many complaints from people victimized by NPA tax extortions. Guingona said the government is exercising as much restraint as possible to avoid unpleasant incidents that could affect the peace negotiations. However, he said, if the complaints persist, the citizens are entitled to protection and appropriate force will be used to protect them. He said illegal tax collections pose a threat to the 60-day cease-fire and is banned under the cease-fire agreement. He asked them to stop as a sign of good faith. [passage omitted]

BATAAN NDF/NPA DISCLOSES SOVIET AID OFFER

HK071307 Manila MANILA BULLETIN in English 8 Jan 87 pp 1, 4

[By correspondent Charles F. Tee]

[Text] Samal, Bataan -- Soviet Russia has offered the local communists all the arms and monetary aid they need, National Democratic Front (NDF) Bataan chief negotiator Javier Domingo and Bataan New People's Army (NPA) top political bureau man Ka [Comrade] Ricardo Silvestre said in a press conference they called at Barangay San Juan here.

Domingo and Silvestre said the only hindrance to the Soviet offer was the "impossible string attached to it."

Pressed by newsmen what the Soviets wanted in return for their offer, Domingo and Silvestre sidestepped the question by downplaying its importance.

"It's not yet the proper time to reveal it, but had we accepted it, perhaps we could have attained our goal sooner than what our timetable had set for it," the two said.

Asked what they would do should they win the ones in the seat of power, Domingo said, "Actually there would not be much changes as the Marxist form of communism is best suited in the Philippines among all forms of communism. Among the few changes would be in taxation where the small wage-earners, farmers, fisherman, and workers in similar category will not be taxed, only the capitalists, industrialists, big landowners, and big businessmen."

On the U.S. bases, they said, "Of course, we do not want any foreign power to establish military installations on our soil and the agreement (Military Bases Agreement) has to be abrogated."

SPOKESMAN GIVES DETAILS OF CABINET MEETING

HK071419 Hong Kong AFP in English 1402 GMT 7 Jan 87

[Text] Manila, Jan 7 (AFP) -- The Philippine Cabinet Wednesday set up a committee to investigate charges of alleged graft and corruption in government, but absolved itself of any wrongdoing.

Armed Forces Chief Fidel Ramos also told the first cabinet meeting of the year that violence related to the nearly 18-year-old communist insurgency had been reduced during a current ceasefire, but that the rebels were using the truce to consolidate their forces.

President Corazon Aquino "is concerned" about charges of graft and corruption in the 10-month-old government and named her legal adviser Rene Saguisag to head a committee to look into the problem, Mrs. Aquino's spokesman Teodoro Benigno said.

Jamie Cardinal Sin, the spiritual leader of this Roman Catholic nation and a staunch supporter of the president, has said he believes graft and corruption remain "pervasive" in the country and had asked Mrs. Aquino to set an example by cleaning up her government.

Mrs. Aquino had challenged the cardinal to name names, but the primate said he was only relaying to her general complaints of his flock.

Mr. Benigno admitted that Wednesday's cabinet discussion of the issue was "partly because of Cardinal Sin's statements."

Mr. Benigno stressed that "in the higher level, the government has nothing to apologize for," and that what was in question was alleged lower-level corruption, mainly in the public works ministry dealings with private contractors.

The Aquino government has "displayed leadership by example," as opposed the excesses of the deposed regime of Ferdinand Marcos, Mr. Benigno told a news conference.

Rumors of corruption in high places, some of them implicating Mrs. Aquino's close relatives, had swept the capital even before she embarked on a cabinet revamp in November, which saw the departure of at least two ministers whose offices had been linked to alleged corruption.

General Ramos told the cabinet that the banned Communist Party of the Philippines (CPP) and its New People's Army (NPA) were using a current ceasefire and talks to find a political settlement to the insurgency to consolidate their forces and conduct propaganda, Mr. Benigno said.

Violent incidents related to the nearly 18-year "old rebellion" decreased by 24 per cent last year, from 3,877 in 1985 to only 2,940, the general reportedly said. The number of deaths was down 33 per cent, he said, but did not give figures.

AQUINO LAUNCHES GOVERNMENT ANTICORRUPTION DRIVE

HK080205 Manila Far East Broadcasting Company in English 2300 GMT 7 Jan 87

[Text] President Aquino has launched a campaign to fight corruption in the government. Yesterday [7 January] she issued specific guidelines against corruption which include the accountability of cabinet members. Art Pabellon has more details:

[Begin recording] Press Secretary Teodoro Benigno yesterday described the perennial problem of graft and corruption as a hydra-headed monster which past presidents have tried but failed to kill. Secretary Benigno said that President Aquino has appointed a special counsel [words indistinct] as chairman of a committee which will study this problem as it affects the present government. The committee will be guided by four principles which have been approved by the cabinet. Every minister will be responsible to clean up his own particular area of accountability. All the service-oriented ministries will also be required to [words indistinct] so that the citizens will be able to avail of efficient government service. The Tanodbayan [ombudsman agency] and other courts, all investigative and judicial arms and agencies of government will be expected to act more swiftly and effectively on graft and corruption cases, and the citizens will be encouraged to organize themselves into citizens watchdog bodies which could look into the problems that confront them. [end recording]

Saguisag Appointed Antigraft Chairman

HK071043 Manila Radio Veritas in Tagalog 0934 GMT 7 Jan 87

[Text] President Corazon Aquino appointed Rene Saguisag as chairman of special council committee to prevent anomalies in the different sectors of the government. According to Press Secretary Teodoro Benigno, Saguisag will choose the committee members who will abide by the four policies that will guide them in eventually resolving long existing government anomaly problems. The first of these policies is the command responsibility wherein any anomaly within a ministry will be dealt with by the ministry in question. The second is that there will be frontline services in each ministry to help the people in their complaints. The third, a citizens watchdog committee will be organized in each town, such as the committee in Paranaque which was successful in its project. The fourth is that our government will employ all government investigative arms and agencies including the Tanodbayan to prevent all anomalies that may come about in the new Aquino government.

AQUINO FORMS NATIONAL RECONCILIATION BODY

HK071209 Quezon City BUSINESS DAY in English 7 Jan 87 p 28

[Text] President Corazon C. Aquino yesterday formed the National Reconciliation and Development Council (NRDC) that will implement the National Reconciliation and Development Program (NRDP), including assistance to rebel returnees.

She issued Executive Order No. 103, which tasked the NRDC to implement the government plan for 1987 to 1992 which seeks, among other objectives, the generation of employment, the alleviation of poverty, the promotion of social justice and attainment of economic growth.

The President adopted the policy of supporting Filipino individuals and families in their quest for a peaceful productive community life.

The NRDC is headed by Economic Planning Minister Solita Monsod and Local Governments Minister Jaime Ferrer as chairman and vice-chairman, respectively.

Other members of the NRDC are Budget Minister Aberto Romulo, Defense Minister Rafael Ileto, Justice Minister Neptali Gonzales, Agriculture and Food Minister Ramon Mitra, Social Service Minister Mita Pardo de Tavera, Press Secretary Teodoro Benigno and Human Settlements Deputy Executive Secretary Herminio Aquino.

The nine members of the NRDC will formulate a comprehensive program combining existing programs and projects such as the local communities program, the community employment development program, national assistance for local government units, regional development investment program and other sectoral programs.

The council will also formulate policies and guidelines for the NRDP-deputized government entities and officials as may be necessary to realize the aim of the NRDP. It will also encourage participation of non-government organizations and the private sector.

She said it is "one action of the government to accommodate rebels who have decided to step down from the hills and return to normal life."

RAMOS ACCUSES NDF OVER BELLIGERENCY STATUS

HK081134 Manila THE MANILA TIMES in English 8 Jan 87 pp 1, 6

[Excerpt] Gen. Fidel V. Ramos, Armed Forces chief of staff, accused yesterday the communist National Democratic Front (NDF) of wrongly trying to gain belligerency status and criticized a Commission on Elections (Comelec) decision prohibiting soldiers and policemen from voting in their places of assignment unless they are registered as voters in these places.

Ramos said the NDF drive to gain a "status of belligerency" violates the ceasefire agreement which states that "any provision thereof shall not invest the NDF with a status of belligerency."

He pointed to the recent disclosure of Luis Jalandoni, chairman of the Communist Party of the Philippines international commission, that the NDF is campaigning for political support from some European countries.

"This only proves NDF efforts at calling international attention to itself to gain a status of belligerency," he said.

Ramos has issued a memorandum to the deputy chief of staff and the Judge Advocate General's Office (JAGO) stating in part: "As public servants in uniform, we should not be treated as second-class citizens."

Ramos was reacting to a report that thousands of military personnel, including Integrated National Police, will no longer be allowed to vote by the Comelec in their places of assignment unless they are registered in these places as voter residents.

Comelec Chairman Ramon Felipe announced the other day that the poll body has revoked the rights of military men to vote in places other than where they are registered voters "to rebuild its image in conducting a clean, honest orderly and credible election."

Ramos said the soldiers, policemen and firemen should not be disqualified from voting because they have the same constitutional right to vote as any other citizen.

He ordered the JAGO to prepare an executive order which he would ask the President to sign, to enable soldiers to cast "absentee ballots," as is practiced in other countries if they are assigned to places far from where they have registered as voters.

He also declared that no American has been involved in the government's drive against the local communists and the secessionist rebels in the South.

Ramos said he deplored the attempts of the NDF "to discredit the armed forces and undermine the duly constituted government of our people."

He said the eight helicopters given by the U.S. to the military are part of the equipment long promised by the Americans under the U.S.-RP [Republic of the Philippines] Mutual Defense Agreement. [passage omitted]

RAMOS SAYS CPP-NPA TAKING ADVANTAGE OF TRUCE

HK071249 Manila Radio Veritas in Tagalog 0934 GMT 7 Jan 87

[Text] General Ramos said that the CPP [Communist Party of the Philippines]-NPA is making use of the cease-fire to stabilize their organization. Ramos also said that 342 NPA's surrendered to the government since 1986 and the death rate decreased by 33 percent. He said that the Partido ng Bayan [People's Party] will field communist candidates for the elections. Concerning the CPP-NPA cease-fire violations, 52 offenses were listed resulting in the death of two soldiers, three CHDF's [Civilian Home Defense Forces], and eight civilians. According to General Ramos, the Marcos loyalists are a problem to the new government because they presently have 45 pro-Marcos organizations in the country and three in the United States, and their aim is to ask Marcos to return to the country.

ENRILE URGES SUPPORT FOR RAMOS, ARMED FORCES

HK061135 Quezon City BUSINESS DAY in English 6 Jan 87 p 18

[Text] Davao City -- Former Defense Minister Juan Ponce Enrile yesterday called on the Filipino people to fully support the Armed Forces of the Philippines "because the military is now doing its job alone."

He urged the people to also support Armed Forces Chief of Staff Gen. Fidel V. Ramos "because Gen. Ramos is not getting political support from anybody and is a professional soldier who is now being forced to be a political tactician in dealing with political issues against the National Democratic Front (NDF)."

Speaking before the members of nine Rotary Clubs here, the outspoken former defense chief also criticized the draft charter "formulated by President Corazon C. Aquino through her appointees" as designed to perpetuate herself in power.

"As far as my position is concerned, I am for the absolute, unconditional and total rejection of a constitution sponsored by a dictatorship," Enrile said. "President Aquino is batting for the passage of a charter formulated by her own appointees and designed to perpetuate herself in power."

Enrile also cautioned the "yes" partisans not to cheat in the coming plebiscite and lashed out at the Aquino government for "desperately using unfair gimmicks and illegal practices."

ENRILE SAYS MILITARY OPPOSES DRAFT CHARTER

HK080505 Manila THE NEW PHILIPPINES DAILY EXPRESS in English 7 Jan 87 pp 1, 6

[Text] Former Defense Minister Juan Ponce Enrile last night said the military is silently campaigning for a "No" vote against the 1986 Constitution.

He made the disclosure at a membership meeting of the Manila Jaycees and Jaycerettes at the Century Park Sheraton Hotel.

He said some field commanders, junior officers, policemen, PC [Philippine Constabulary] and even CHDF's [Civilian Home Defense Force] in Mindanao are against the proposed charter. Other segments in many parts in Mindanao, specially former members of the bureaucracy who were displaced by the new government and even members of the clergy are also against the proposed Constitution, he said.

"There is a strong current of "No" votes in the areas I have visited and they have their reasons for doing so," said Enrile.

The former defense chief also warned against massive cheating in the plebiscite. He added that there is no need for the government to utilize the NAMFREL [National Movement for Free Elections] if they think that the voting will be clean.

"Why is there a need for NAMFREL, an organization which has the capability to cheat, if they think that the election will be fair? NAMFREL should not be called in."

He also questioned why no representatives in polling places are authorized if they think that there will be no cheating. He said an executive order was promulgated recently banning poll representatives.

Enrile also said that he has received reports of threats and intimidations made by some local officials against people who are campaigning against the proposed Constitution.

Enrile also said in an interview that he talked with Gen. Fidel V. Ramos yesterday afternoon after arriving from Mindanao, but he refused to divulge details of their conversation.

On the ceasefire, Enrile predicted that sooner or later, Mrs. Aquino will have to abandon her policy of reconciliation and unsheathe the "sword of war". I hope that the sword will be very sharp," he said.

RAMOS ISSUES NEW DIRECTIVES ON AFP PROCUREMENT

HK071225 Quezon City BUSINESS DAY in English 7 Jan 87 p 26

[By reporter Joel D. Lacsamana]

[Text] Military and civilian personnel of the New Armed Forces of the Philippines [NAFP] will no longer receive "donations, rebates and commissions" from suppliers or dealers of materials and equipment, Gen. Fidel V. Ramos, NAFP chief, said yesterday.

Ramos also said that military personnel and their relatives acting as "fixers" to clinch contracts for their favored dealers and suppliers constitutes a "violation of anti-graft and corrupt practices act."

The NAFP chief issued these instructions to rid the military establishment of graft and corruption at least in the procurement of supplies and equipment by the different Armed Forces units.

Ramos noted that "some relatives and close friends of a few NAFP personnel have been intervening in behalf of dealers and suppliers."

"In some cases, for preferential attention, relatives and close friends call procurement units or officers, handcarry letter-offers and even accompany dealers or suppliers," Ramos said.

Aside from giving rise to adverse criticisms against the entire NAFP, Ramos pointed out, "these practices constitute violations of Republic Act 3019, the anti-graft and corrupt practices act."

NAFP Procurement System has been extremely vulnerable to accusations of corruption due to its past history under former Chief of Staff, Gen. Fabian Ver.

Ver, together with some crony industrialists and military officers close to him and deposed President Ferdinand Marcos, succeeded in cornering the arms manufacturing and supply market in the Philippines as early as 1974.

According to investigations by the NAFF anti-graft board, Ver and his cronies allegedly devised an elaborate procurement scheme involving cloakroom negotiations and informal biddings for large-scale sales contracts.

The corrupt practices within the AFP procurement system even went as far as the provision of seed capital to favored arms manufacturers, who delivered the initial shipments of orders, despite the fact that the AFP had already paid these companies in full.

"Effective immediately, the procurement of supplies, materials and equipment for any unit of the NAFF shall be strictly on the basis of merit and in accordance with policies, procedures under presidential Decree No. 1443, National Accounting and Auditing Manual, the Manual for NAFF Procurement System and other pertinent NAFF procurement circulars and regulations," Ramos ordered.

In addition to this, Ramos issued the following instructions:

- All donations, rebates, commissions, or discounts granted by contractors, suppliers, or dealers to NAFF personnel in connection with any transaction with any unit of the NAFF shall devolve upon and be handed over to the NAFF Procuring Unit, subject to the usual accounting and auditing requirements.
- Donations, rebates, commissions, or discounts shall be stipulated in writing in the contract itself or in the purchase order between the NAFF and the private contractor/dealer. The same shall become the property of the NAFF and reflected in the property books, books of accounts, or cash books of the NAFF and the unit concerned.
- No military or civilian personnel shall be allowed to resign or retire pending investigation or prosecution for any offense.
- All units/officers procuring services, equipment, materials and supplies shall report to headquarters any dealer for supplier who in any manner uses the influence or relatives of NAFF personnel or other public officials or employes, as this shall be a ground for disqualifying such dealer or supplier to deal with NAFF without prejudice to criminal prosecution.
- All officers, enlisted personnel and civilian officials/employes of the NAFF are strictly prohibited from intervening on behalf of any dealer/supplier and are enjoined to advise their "family relations" and those with whom they have "close personal relations" to refrain from doing the same.
- Under existing laws, the term "family relations" shall include the spouses or relatives by consanguinity or affinity in the third civil degree, fraternal connections, and professional employment which assures free access to such public officer.

PARTIDO NG BAYAN ASKS FOR ANOTHER LABOR MINISTER

HK071253 Manila THE MANILA TIMES in English 7 Jan 87 pp 1, 6

[Text] The left-leaning Partido ng Bayan [People's Party] (PnB) yesterday appealed to President Aquino to reconsider her decision naming Franklin Drilon new minister of labor and employment vice Augusto Sanchez "to defuse an explosive labor unrest."

The PnB appeal was made as it reiterated its support to the Kilusang Mayo Uno [1 May Movement] (KMU) to call for a nationwide labor strike to show its rejection over Drilon's appointment last Saturday.

The party, however, did not say if it would mobilize its own forces to join the series of strikes being planned nationwide by the militant labor group.

Last Monday, the labor group barricaded the Labor Ministry to prevent the entry of Drilon, considered by labor as pro-management.

In a press statement, the PnB said Drilon's unpopularity with the different labor groups "might only further render meaningless the government's avowed protection of workers' rights and well-being."

It warned that unless President Aquino listened to the sentiments of the laborers regarding the ouster of Sanchez, militant actions such as strikes and barricades would ensue in the days to come to make the voice of labor heard.

The party said unlike Drilon, Sanchez was a staunch defender of human rights during Marcos' rule.

It said it was only during Sanchez's term that labor gained a lot of concessions during dialogues with management and it was also through his prodding that Mrs. Aquino adopted more liberal labor policies.

"While we do not want to believe that the Aquino government has succumbed to the pressures of foreign and local business interests, this latest development prods us to think that our appeals and those of other labor groups and cause-oriented organizations were left unheeded," the PnB statement said.

REBELS SEEKS OUSTER OF CAGAYAN VALLEY OFFICIALS

HK051335 Quezon City ANG PAHAYAGANG MALAYA in English 5 Jan 87 pp 1, 6

[Text] The National Democratic Front [NDF] yesterday called for the disarming of private armies in Northern Luzon and the relief of three ranking Constabulary officers in the Cagayan Region for alleged human rights violations.

The NDF-Northern Luzon also said there was no ceasefire in Cagayan Valley because of what it said was a serious military buildup coupled with food blockades in insurgent-controlled areas.

The NDF urged the government to order the relief, or transfer, of Lt. Col. Rodolfo Aguinaldo of the Cagayan PC; [Philippine Constabulary] Col. Hernani Figueroa of the Isabela PC and Brig. Gen. Manuel Avila of PC Recom [Regional Command] 2.

The three officers were accused by the NDF of committing alleged human rights violations and whose removal was being sought by the people of Northern Luzon.

NDF-Northern Luzon representative Jeffrey Tugawin said there are 37 warlords all in Northern Luzon with around 3,000 to 4,000 men in arms.

The NDF charged that among the leading warlords are Juan Ponce Enrile and Alfonso Lim in Cagayan; Faustino Dy of Isabela; Luis Chavit Singson of Ilocos Sur; Rudy Farinas and Roque Ablan of Ilocos Norte; Joaquin Ortega and Jose Aspiras of La Union; Conrado Estrella and the Villars of Pangasinan; the Paredes clan of Ifugao; the Barbero group of Abra; and the factions of Almazan, Puzon, Quirino and Jambaro of Kalinga-Apayao."

These warlords, according to Tugawin, continue to question the good faith of the ceasefire accord.

NDF peace envoy Antonio Zumel recalled that the Aquino government pledged to disarm and dismantle private armies in the country. However, this pledge remains unfulfilled, Zumel said.

A provision of the ceasefire agreement states that the "government undertakes to arrest, disarm and prosecute armed groups which include private armies, armed goons, armed fanatical sects, groups such as the 'lost commands,' and death squads."

Tugawin said that if the government fails to do this, "we reserve the right to punish them (private armies)."

The presence of these warlord armies and Aguinaldo, Figueroa and Avila in the region, Tugawin said, is the "immediate hindrance toward the formation of the Regional Ceasefire Committee [RCC] in Cagayan Valley and Ilocos Provinces."

Tugawin quoted Bishop Mike Purugganan as saying that regional ceasefire committee in Cagayan is not possible if Aguinaldo, Avila and Figueroa stayed in the Cagayan region.

He said there are three military brigades in the province made up of 8,500 regular troopers of the Army. Constabulary, Air Force, Navy, police, paramilitary soldiers, and warlords.

He said that before he travelled to Manila, an additional three company-size soldiers arrived in Cagayan Valley.

He also cited that continuing food blockades in the region, particularly in Cagayan, Kalinga-Apayao, Appari, Ilocos Sur, and La Union.

He said military men established several checkpoints to prevent the residents from buying or taking home "excess" items.

The residents were only allowed to bring two gantas of rice a week and a pack of cigaret. Excess items were confiscated, Tugawin said.

Despite this, Tugawin said, the NDF and its member organizations in the province will continue to abide by the agreement. "For 60 days, we will keep all our guns silent and grant the ongoing talks the benefit of the doubt," Tugawin said.

Despite the obstacles in the formation of the ceasefire committee, Tugawin said they will strive to form the RCC and to take active part in the implementation of the preliminary ceasefire. However, the government must issue 10 safe conduct passes to the security staff of the NDF and transfer Aguinaldo and Figueroa outside of Northern Luzon even [if] only for the duration of the ceasefire period, he said.

UNIDO PLEDGES TO SUPPORT DRAFT CONSTITUTION

HK061547 Manila THE MANILA CHRONICLE in English 6 Jan 87 p 1

[Excerpt] The United Nationalist Democratic Organization (Unido) yesterday pledged "overwhelming support" for the ratification of the draft Constitution in the Feb. 2 plebiscite.

In a related development, the Negros Occidental chapter of the Kilusang Mayo Uno (KMU) [1 May Movement] broke away from its mother unit by espousing a "critical yes" vote for the draft Charter.

The KMU national council earlier approved a resolution calling for the rejection of the draft Charter.

In supporting the Constitution, Vice President and Foreign Minister Salvador Laurel, Unido chairman, however, urged the President to announce a date for the holding of simultaneous elections.

Such elections, Laurel said, would improve the chances for the Charter's approval and could save the Government a lot of money.

He said Unido will start its pro-Charter campaign at a rally Jan. 12 in Quezon City where the President is expected to attend. [passage omitted]

MNLF REITERATES DEMAND ON AUTONOMY PROVISION

HK081027 Quezon City ng Bayan in Tagalog 0900 GMT 8 Jan 87

[Text] The expected Mindanao peace negotiations between the government and the MNLF may not go on if the Muslim rebels' demand that the draft constitution's provisions on autonomy be suspended is not granted. For the full report, here is Jojo Ismael.

[Begin recording] Abdullah Usman announced the MNLF demand that the said autonomy provision should be suspended, saying that it was a precondition of the MNLF before any talks with the government are held. Usman said the MNLF may restore its call for independence if the said provision is not suspended. Meanwhile, President Aquino has formed a committee to study the MNLF demand for suspension of the said provision. It was learned that Misuari is slated to make a report before Muslim leaders in a summit meeting in Kuwait in January. Taking part in the meeting are leaders of the Organization of Islamic Conference. Misuari will report on the Philippine Government-MNLF meeting in Jeddah. [end recording]

MUSLIM FACTION REJECTS JEDDAH ON AUTONOMY PACT

HK071245 Quezon City ANG PAHAYAGANG MALAYA in English 7 Jan 87 pp 1, 6

[By Elmer Mercado]

[Excerpts] The pro-autonomy Moro Islamic Liberation Front [MILF] led by Muslim fundamentalist Hashim Salamat rejected the agreements signed by government and Moro National Liberation Front negotiators and accused the Aquino government of "insincerity" in the peace talks, a spokesman of the Salamat group said yesterday.

Lansang S. Ali, legal counsel of the MILF, said Salamat does not recognize the Jeddah pact between government negotiator Aquilino Pimentel and MNLF Chairman Nur Misuari because the MILF was not involved in the talks.

Denying reports that a MILF representative acted as consultant in the week-long talks, Ali quoted Salamat as saying that the government's dealing with only one faction of the 14-year Muslim insurgency was "a divisive act."

"We regret to say that the government is not sincere in its effort to make true what President Aquino said," Ali said, referring to Mrs. Aquino's initial stand to negotiate only with a common MNLF panel. The MILF also ruled out the possibility of negotiations with the government unless it changes its negotiating posture and the members of the panel.

Ali said the MILF doesn't trust chief negotiator Pimentel and Mrs. Aquino's brother-in-law Agapito "Butz" Aquino who is also a member of the government panel. [passage omitted]

Salamat has been pushing for the Tripoli Agreement as the basis for the guidelines of further negotiations granting full autonomy to Mindanao. The MILF says that the pact signed by government representatives and MNLF leader Misuari on Dec. 23, 1976 under the auspices of the Organization of the Islamic Conference (OIC) is still valid and binding. It also says that the powerful 46-nation OIC should be included as an active participant in the talks since it was a signatory to the Tripoli Agreement and the "international character" of the accord is an assurance that the government would grant genuine autonomy.

"If they abandon the Tripoli Agreement, then they can easily strike out the pertinent provisions of the agreement in the negotiations," the MILF said.

The government's recognition of the Misuari-led MNLF, Ali said, would reduce to "secondary personalities" the two other factions of Muslim insurgents.

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